

# Care that Is Fair and Just:

IMPROVING HEALTH EQUITY THROUGH MEDICAID MANAGED CARE



**Everyone deserves affordable high-quality health coverage and care regardless of health status, race, color, national origin, sex, gender identity, sexual orientation, age, or disability.** For years, America has struggled to improve health equity for African Americans and other communities of color. As leaders come together to make real progress toward this shared commitment, Medicaid managed care organizations (MCO) are a proven valuable partner for creating tailored solutions that work, utilizing insight from deep experience working with people who rely on Medicaid, and building on strong community partnerships to meet people where they are. Taking care of vulnerable populations is at the core of Medicaid MCOs' mission; they therefore are driven to mitigate socioeconomic conditions, reduce health disparities, and advance health equity for the more than 50 million Americans they serve.

## The Value of Medicaid in Addressing Health Equity

Medicaid is uniquely positioned to advance health equity. As a joint federal-state program, Medicaid is the gateway to essential health care for many of the populations that face significant health disparities, including low-income adults, pregnant women, children, elderly adults, and people with disabilities. For example, Medicaid expansion under the Affordable Care Act has led to a reduction in racial health disparities, an improvement in health outcomes, and has promoted economic security among marginalized communities by improving access to affordable, quality care.<sup>1</sup>

### Medicaid Delivery Systems

States use two principal delivery models in their Medicaid programs: fee for service, in which providers provide services and then bill the state Medicaid agency; or managed care, in which the state contracts with managed care organizations (MCOs) to organize provider networks, coordinate and manage care, and pay providers. In 2021, 40 states, the District of Columbia, and Puerto Rico use Medicaid MCOs to serve some or all of their Medicaid enrollees. Nationally, nearly two thirds of Medicaid enrollees are served by Medicaid MCOs.

### How Medicaid MCOs Are Addressing Disparities

Medicaid fee-for-service (FFS) models are designed simply to pay for medical products and services, without a focus on or expertise for improving health outcomes or quality. When states use a Medicaid Managed Care model, they can include health outcome and quality improvement goals with financial incentives and hold MCOs accountable for meeting those goals. In fact, nearly all MCO states reported incorporating at least one quality metric into their FY2019 state Medicaid contracts with managed care organizations.<sup>2</sup>

MCOs are able to deliver high-quality care that advances health equity through a range of innovative, person-centered services that include:

- Needs assessments and customized programs based on individual needs and circumstances;
- Person-centered care and community-delivered services that are culturally and linguistically appropriate;
- Care coordination and care management to help people navigate services and manage their treatment plans;
- Partnerships with community leaders to help with outreach, health education, and support services;
- Investments in their own infrastructure and in community-based organizations to address socioeconomic barriers to health such as food insecurity, housing instability, lack of transportation, unemployment, and more. These efforts help reduce both socioeconomic disparities and improve health equity.

### Medicaid MCOs Are Committed to Health Equity

Ending discrimination and systemic racism in health care is essential for an equitable health care system – but addressing discrimination alone does not fully address health equity challenges. For years, Medicaid MCOs have been committed to improve health equity in the places where we live and work. This issue brief offers just a few examples of Medicaid MCO actions to reduce health disparities and advance health equity in the communities in which they live and work.

1 <https://www.kff.org/medicaid/issue-brief/effects-of-the-aca-medicare-expansion-on-racial-disparities-in-health-and-health-care/>; <https://www.cbpp.org/research/health/chart-book-the-far-reaching-benefits-of-the-affordable-care-acts-medicare-expansion>; <https://www.commonwealthfund.org/publications/2020/jan/how-ACA-narrowed-racial-ethnic-disparities-access>

2 <https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicare-managed-care/>



## Combatting the COVID-19 Crisis and Protecting Those Americans Most Impacted by the Crisis

As tens of millions of Americans lost their health insurance coverage following a job loss during the COVID-19 crisis, many have turned to Medicaid. As states face significant budget shortfalls due to the pandemic, they increasingly look to their Medicaid MCO partners to provide high-quality, coordinated care at lower costs.

Medicaid MCOs have taken decisive action to equitably protect their members and ensure they receive the care and resources that they need to advance health equity. Examples include everything from covering the costs of all COVID-19 related treatments and expanding telehealth services to waiving prior authorization requirements. MCOs are connecting their members with community resources that address their socioeconomic needs and partnering with public and county health systems to administer COVID-19 tests and vaccines.

Medicaid MCOs have also taken steps to [support their communities through grants and donations to clinics and nonprofit organizations that are supporting COVID-19 relief efforts](#). Their work includes donating to food banks, creating job placement programs, offering scholarships, launching new programs to improve mental health, and investing in minority-led community organizations to address inequities.

### Real World Story: Building New Food Distribution Models

At a time when operations changed rapidly, health insurance providers collaborated with partners to rethink how to deliver resources effectively and efficiently to communities in need. In New Orleans, Humana repurposed a team of medical transportation vans and drivers to deliver food to families in need since food banks could no longer distribute food from inside their building due to social distancing. This was especially critical for people lacking transportation options and for families whose children previously received food through school lunch programs.

To learn more about Medicaid MCOs' efforts to overcome the COVID-19 crisis, click [here](#) and [here](#).



## Improving Maternal Health for Women of Color

Medicaid MCOs use their unique position to reduce disparities in maternal health and improve health care outcomes—particularly for women with low-incomes. Their innovative, culturally competent, and targeted programs engage and assist women before, during, and after pregnancy.

Medicaid MCOs help advance equity in maternal health by:

- Focusing on preconception planning and education.
- Collecting information on potential risk factors (e.g., previous pre-term births, physical and behavioral health conditions, housing stability, nutrition, etc.) to identify and support high-risk pregnancies as early as possible.
- Integrating specialty case managers to coordinate care and to develop care management and treatment plans that are tailored to each woman's specific maternity needs.
- Covering recommended preventive screenings (such as cervical cancer, anemia, folic acid, gestational diabetes, preeclampsia, perinatal depression, and Rh factor incompatibility) and contraceptives without cost-sharing.
- Offering innovative programs such as nutritional assistance, home visits, and care provided by doulas and midwives.

As part of the Modern Medicaid Alliance, Medicaid MCOs are advocating for [bipartisan legislation](#) to expand Medicaid and CHIP coverage for pregnancy-related services from 60 days postpartum to 12 months postpartum. Medicaid MCOs believe this is essential to [improve maternal health outcomes](#) and [resolve disparities experienced by women in lower-income households](#).

For more information on how health insurance providers are committed to improving maternal health, click [here](#) and [here](#).



## Caring for Children with Complex Medical Conditions

As the essential safety-net for children with complex medical conditions who are enrolled in Medicaid or CHIP (the Children’s Health Insurance Program), Medicaid MCOs help improve outcomes and advance health equity by detecting and preventing the progression of chronic diseases, coordinating services across the continuum of care, and delivering programs targeted to children’s needs.

Medicaid MCOs and their staff go above and beyond to coordinate and provide care —whether it’s across facilities, across town, or even across state lines—to ensure that every child receives the care they need.

### Real World Story: Going Above and Beyond to Provide and Coordinate Care

Frankie, a child with spina bifida and infantile scoliosis among other complex medical issues, was enrolled in a Medicaid health plan in Texas. Arthur, a care coordinator with Frankie’s new Medicaid health plan, immediately reached out to Frankie’s mother to learn more about his needs and her concerns as his primary caregiver. Arthur learned that Frankie needed a surgery to treat his scoliosis and spina bifida that was not available in Texas. The only surgeons who could perform the surgery were in Chicago, outside of the provider network. Arthur coordinated approval for the out-of-network surgery and also arranged airfare, meals, and lodging for the trip, all paid for by the Medicaid health plan. Frankie’s mother was without words. She could not believe how much was covered for her son’s surgery and how hard the care coordinator worked to ensure Frankie received the care and services he needed.

For member stories that illustrate Medicaid MCOs’ commitment to high-quality service and accessible care for children, [click here](#).



## Overcoming Socioeconomic Barriers to Better Health

Medicaid MCOs understand that to reduce disparities and advance health equity, they need to address the socioeconomic inequities and barriers that their enrollees face since better health does not just happen in the doctor’s office. Caused by the socioeconomic conditions in which we live, learn, work, and play, these “social determinants of health” include inadequate access to nutritious food, lack of affordable housing, lack of convenient and efficient transportation options, limited opportunities for quality education and meaningful employment, limited broadband access, and more.

Medicaid MCOs address these barriers by:

- Conducting outreach and screening their members’ socioeconomic needs and offering access and/or referrals to services to address them.
- Using data analytics to better identify and act on disparities in underserved communities and populations.
- Building community resource directories to speed access to locally available resources.
- Designing programs to address identified health-related social needs, such as providing medically tailored meals, transportation to medical appointments, and housing-related services.
- Developing partnerships with community-based organizations to provide support services.
- Investing in technological infrastructure to communicate and share information with the social service sector.
- Coordinating care and services for individual patients.

Medicaid MCOs also award grants and make other investments into infrastructure and resources that would benefit communities and help them overcome poorer socioeconomic living conditions. For example, several Medicaid MCOs have used their own reserve funds to purchase buildings to offer affordable housing for their homeless members. Others have converted buses into mobile fresh food markets that travel to neighborhoods with limited supermarket access. Others have built job training programs and connections with employers to prepare people for, and link them to, employment opportunities.

### Real World Story: Providing Housing to Those in Need

A Medicaid MCO in the Midwest purchased a 50-unit apartment building to provide short-term, transitional housing and health care to their homeless members. By partnering with local organizations, the MCO was able to provide members with medical care, behavioral health and recovery-focused services, peer support, case management, housing navigation services, life skills training, and stability while helping to connect members with long-term permanent housing. By integrating supportive housing, case management services, and a medical home, the program resulted in a 40% reduction in inpatient hospital stays, which led to \$872 monthly average savings per member (\$10,464 in savings per member per year, or more than \$500,000 per year total).

For more information on how Medicaid MCOs are investing in communities and addressing social determinants of health, [click here and visit our social determinant of health resource page.](#)



## Building Strong Community Partnerships

Medicaid MCOs understand the importance of connecting with people most affected by health disparities. It is common for Medicaid MCOs to have community advisory boards to ensure that they are incorporating community voices into their work and to ensure that they are focusing on the community's priorities, such as increasing access to care and services in underserved areas or by reducing disparities in certain conditions among certain populations.

Medicaid MCOs also employ diverse members from the local community in critical provider, community health worker, outreach, care management, doula, and peer support roles. Through this engagement, Medicaid MCOs help ensure that people with strong community connections and with relevant lived experience can empathize with members and address their needs.

Medicaid MCOs also have extensive partnerships with community-based organizations to help address socioeconomic needs that have resulted from inequitable policies and opportunities. Examples include: partnering with local food banks to address food insecurity, working with housing agencies to address unstable housing, or working with local Head Start programs to provide early childhood education opportunities, among others. As part of these partnerships, Medicaid MCOs help to connect the dots between the health care sector and the community by identifying needs, coordinating services to address these needs, supporting organizations' ability to address these needs, and by looping back with community members to ensure their needs have been met.

For more information, [click here and visit our social determinant of health resource page.](#)



## Supporting Health Care Systems in Rural Areas to Promote Equitable Access to Care

Americans who live in rural areas face greater challenges accessing care. Doctors and other health care providers are often in short supply, rural hospitals and nursing homes are closing due to financial instability, and services available in rural areas are decreasing such that people may have to travel long distances to access the care that they need. Medicaid MCOs have implemented several strategies to support the health care system in rural areas to ensure that people have access to the care they need when they need it—regardless of where they live.

Strategies Medicaid MCOs employ to improve equitable access to care in rural areas include:

- Supporting telehealth and remote patient monitoring solutions to expand opportunities for rural residents to access care and to manage their health conditions;
- Encouraging more health care providers to practice in rural communities by offering scholarships and financial incentives;
- Implementing payment models that provide financial stability for hospitals and health care practices;
- Offering financial assistance to hospitals, health care providers, and community resources through relief funds and direct donations, particularly during the COVID-19 crisis.

**For more information on how Medicaid MCOs are advancing equitable access to care in rural areas, click [here](#) and [here](#). To view policy recommendations that would promote access to care in rural areas, click [here](#).**



## Improving Access to Care Through Telehealth

Medicaid MCOs understand the impact digital solutions can have in reducing health disparities and correcting inequities. During the COVID-19 crisis, Medicaid MCOs worked with state Medicaid agencies to expand access to telehealth to ensure that patients had access to safe, convenient, and high-quality care. This has helped reduce disparities both among rural populations and people who may not have been able to access health care otherwise due to lack of transportation. Telehealth has proven especially beneficial for providing access to behavioral health services.

Medicaid MCOs also developed technological innovations to adapt to the rapidly changing landscape, such as by operating community resource hotlines to help members locate resources to address their health and socioeconomic related needs, creating online tools that allow members to more easily find providers that they would feel comfortable seeing for care based on provider racial or cultural characteristics, among others.

### Real World Story: Bridging the Digital Divide

While telehealth helps increase safe access to care, especially during a global pandemic, it can create or exacerbate disparities in access by leaving some populations behind. Medicaid MCOs have implemented efforts to help bridge the digital divide to ensure that members, regardless of where they live or their economic situation, have equal access to safe and convenient telehealth. Several Medicaid MCOs have used their reserve funds to purchase and provide flip phones or smart phones with data plans to members to ensure they can get the care they need; others have established community resource hubs that provide free public WiFi, computers, webcams, and private spaces to the entire community so that people can access virtual programs, services, and telehealth. Medicaid MCOs joined other AHIP health insurance provider members to advocate with the Federal Communications Commission (FCC) for extending free broadband access so that anyone could access the internet for telehealth, socialization, or other daily needs.

**For more information, click [here](#) and [here](#). To view policy recommendations to expand access to telehealth and to free broadband internet, click [here](#).**



## Advancing High-Quality Care

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Medicaid MCOs are committed to providing high-quality care and invest in infrastructure and expertise to continuously improve and provide health outcomes. Many of these efforts focus on reducing health disparities and advancing health equity.

For example, Medicaid MCOs analyze data and stratify quality measures by race, ethnicity, and other demographic or geographic factors to identify disparities. They then work with their network providers and community members to better understand what is driving these disparities and create culturally appropriate solutions to improve the quality of their care. Medicaid MCOs are also increasingly using quality-based financial incentives to advance health equity. Quality performance metrics are increasingly included in states' contracts with Medicaid MCOs and in Medicaid MCOs' payment arrangements with providers and hospitals.

These investments and efforts are delivering results. **Medicaid MCOs improved their performance on 87% of key quality measures** related to patient satisfaction<sup>3</sup>, provision of services, and health outcomes<sup>4</sup> between 2014 - 2018. Relatedly, **77% of Medicaid MCOs in 2018 were accredited by independent organizations** such as the National Committee for Quality Assurance (NCQA), which signifies a high level of quality.

In 2020, AHIP launched a Health Equity Measures for Value-Based Care Workgroup to identify measures that would advance health equity and work with policymakers and measure developers to encourage their use to accelerate work that advances health equity.

**For more information on how Medicaid MCOs are improving quality and reducing disparities, click [here](#).**

## Conclusion

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This is a seminal moment for racial and social justice and greater diversity, equity, and inclusion. Medicaid MCOs believe we have an urgent mandate to reform our health care system so everyone in America has an equal opportunity to thrive and achieve their best health.

**Working together, we can and will improve health equity in all of our communities.**

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<sup>3</sup> In the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey.

<sup>4</sup> In the Healthcare Effectiveness Data and Information Set (HEDIS)