

Connecticut Medicaid Leads the Way as National Medicaid Per-Member Cost Trend Lower Than Private Coverage, Medicare

Latest federal comparative data reported in *Health Affairs*

CT Department of Social Services Update/July 11, 2017

The Department of Social Services would like to alert its partners to an important new cross-state comparison of Medicaid, Medicare and private insurance cost trends across states, published by *Health Affairs* in June.

A key take-away is that over the period from 2010 to 2014, the per-enrollee cost trend in Medicaid was lower than in both Medicare and private health coverage. And within Medicaid, Connecticut is reported as having reduced its per-person spending by a greater percentage (5.7%) than any other state in the country.

The comparative data is from the federal Centers for Medicare and Medicaid Services. Please scroll down to see two-page data chart from *Health Affairs*.

Here are a few notes about how Connecticut has innovated to provide quality, cost-effective Medicaid coverage:

- Connecticut was the first state in the country to elect early expansion of Medicaid eligibility under the Affordable Care Act, beginning coverage for about 47,000 low-income adults without minor children in April 2010. Currently, about 217,000 adults are covered in this portion of Medicaid.
- Trends in expansion states may have benefitted from participation by large numbers of relatively low-cost, younger individuals.
- In January 2012, as a result of an initiative by the Malloy-Wyman Administration, Connecticut HUSKY Health (Medicaid and Children's Health Insurance Program) entered the final stage of becoming a self-insured, managed fee-for-service program by migrating its medical services from capitated managed care to a model under which services are managed in partnership with statewide Administrative Services Organizations (ASOs).
- Starting in 2012, DSS and its state agency partners began to implement important new care delivery interventions – ASO-based Intensive Care Coordination (ICM), Person-Centered Medical Homes, health homes for individuals with behavioral health conditions – that have made extraordinary contributions toward more person-centered, goal-driven, holistic coordination of services and supports for individuals with complex needs. Quality has demonstrably improved, as documented by a range of measures. Self-reported care experience has also markedly improved.
- DSS has also supported practice transformation through free multi-disciplinary coaching as well as tools and supports for providers (ICM, standardized statewide coverage and utilization management guidelines, timely payment).

- Finally, DSS has built in value-based payment strategies that initially focused on pay-for-performance (PCMH enhanced fee-for-service payments and performance and year-over-year improvement payments) and have developed to include the inaugural use of 'upside-only' shared savings arrangements, under which entities that achieve benchmarks on identified quality measures will share in savings that are achieved.

As Medicaid-related policy, funding and legislative action continues at the national and state levels, it will remain important for government and stakeholders to continue to carefully evaluate the impact of policy strategies on quality, care experience, and cost. The information in the below chart, which represents the latest publicly available CMS data for all states, is, however, one important indicator of progress. It demonstrates the cost-effectiveness of Medicaid in general, and the position of Connecticut as national leader within Medicaid. Further, the comparison to per-enrollee cost trends in Medicare and private health coverage clearly demonstrates that Medicaid is an efficient investment of public funding in support of positive health outcomes.

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Health Spending By State 1991–2014: Measuring Per Capita Spending By Payers And Programs

Exhibit 5

Per enrollee Medicare, Medicaid, and private health insurance (PHI) personal health care spending and average annual percentage change, by region and state of residence, calendar year 2014

Region	State	Personal health care spending			Average annual change, 2010–14		
		Medicare	Medicaid	PHI	Medicare	Medicaid	PHI
United States		\$10,986	\$ 6,815	\$4,551	1.2%	0.0%	3.3%
New England	Connecticut	11,964	8,058	5,187	1.6	-5.7	2.5
	Maine	9,325	7,504	5,015	1.5	-1.1	4.2
	Massachusetts	11,899	8,922	5,302	1.2	-5.6	3.9
	New Hampshire	9,397	9,129	4,880	1.8	-2.3	1.3
	Rhode Island	10,901	10,934	4,620	1.5	0.2	1.6
	Vermont	9,231	7,917	5,313	1.7	2.4	3.9
Mideast	Delaware	11,460	6,921	4,806	2.0	1.1	2.7
	Dist. of Columbia	11,814	8,998	8,831	1.0	-3.4	2.8
	Maryland	12,000	7,677	4,343	1.1	-1.9	2.4
	New Jersey	12,614	8,049	5,081	1.2	-5.4	5.2
	New York	12,179	9,803	5,338	1.0	-1.5	3.3
	Pennsylvania	11,243	9,407	4,634	1.2	3.2	4.2
Great Lakes	Illinois	11,116	4,959	4,875	1.0	-3.5	2.9
	Indiana	10,714	8,285	4,078	1.8	5.7	2.0
	Michigan	11,318	5,915	3,950	0.8	1.4	0.4
	Ohio	11,038	7,007	4,371	1.4	-1.1	3.5
	Wisconsin	9,608	7,057	5,159	1.7	0.1	2.1
Plains	Iowa	9,317	6,702	4,076	2.3	-0.5	2.1
	Kansas	10,126	6,736	4,855	1.7	-3.3	6.9
	Minnesota	9,917	9,176	4,603	2.2	-1.3	3.7

Region	State	Personal health care spending			Average annual change, 2010–14		
		Medicare	Medicaid	PHI	Medicare	Medicaid	PHI
	Missouri	10,457	9,413	4,354	1.6	1.6	2.8
	Nebraska	9,956	7,964	4,536	2.0	-0.5	4.0
	North Dakota	9,461	12,413	4,410	4.1	5.1	4.2
	South Dakota	9,315	7,056	4,335	3.1	0.4	4.1
Southeast	Alabama	10,267	5,042	3,641	1.1	-0.4	0.9
	Arkansas	9,479	6,108	3,906	1.3	1.0	3.1
	Florida	12,229	5,175	4,606	0.5	-0.7	4.0
	Georgia	10,429	5,199	4,406	1.2	1.9	4.0
	Kentucky	10,368	7,016	4,551	1.6	-0.2	2.8
	Louisiana	11,811	6,281	4,420	0.2	-0.1	4.2
	Mississippi	11,021	6,690	4,045	0.7	2.8	3.2
	North Carolina	10,260	7,225	3,859	1.1	-0.6	0.4
	South Carolina	10,298	5,491	4,235	1.4	-3.3	3.0
	Tennessee	10,371	5,677	4,680	0.7	2.3	4.3
	Virginia	9,677	7,361	4,218	2.1	1.0	4.8
	West Virginia	10,268	6,557	3,917	2.1	-0.8	2.7
Southwest	Arizona	10,096	6,032	4,035	1.4	1.5	2.1
	New Mexico	8,663	5,445	4,155	1.3	-2.9	3.4
	Oklahoma	10,429	6,529	3,878	1.0	1.2	2.3
	Texas	11,895	7,273	4,696	0.7	2.1	4.1
Rocky Mtn.	Colorado	9,287	7,143	4,623	1.3	0.5	4.4
	Idaho	8,737	7,069	3,560	2.3	0.0	2.5
	Montana	8,238	9,378	3,882	2.1	-0.4	4.5
	Utah	9,084	6,484	3,657	1.8	-0.8	3.9
	Wyoming	9,050	7,698	4,957	2.5	-0.7	3.4
Far West	Alaska	9,288	12,001	5,958	1.5	1.2	3.5
	California	11,833	5,368	4,735	1.5	3.5	4.6
	Hawaii	8,592	6,087	4,222	2.2	2.2	3.0
	Nevada	10,796	5,484	3,417	2.1	-1.5	-3.6
	Oregon	8,942	7,185	4,232	1.6	-1.3	0.8
	Washington	8,997	5,851	4,328	1.3	-0.2	1.4

• SOURCES Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group; and Census Bureau.