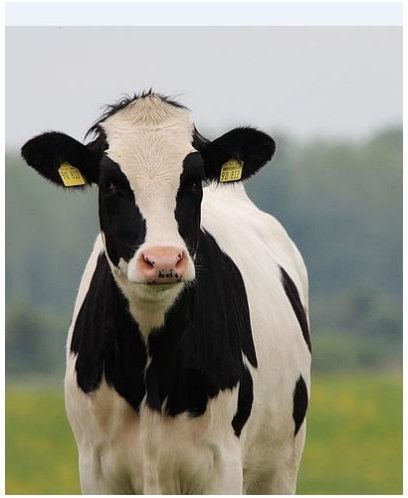
Health Policy Sacred Cows:
Research Findings from the Mainstream Cow Community



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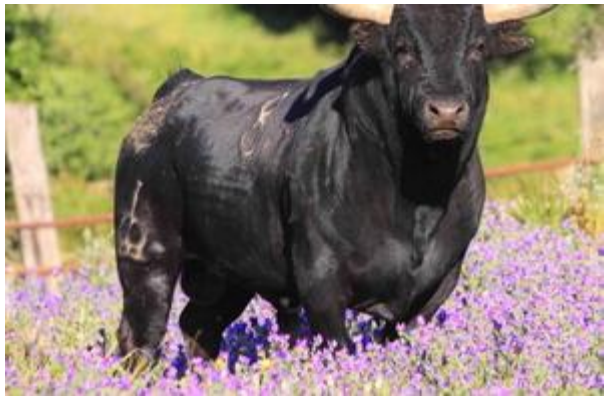

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571-312-2360

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Sacred Cow #1: Don't Get Between The Patient and The Doctor

- No one is inclined to get between you and your doctor – or your plumber, or your hair stylist, or your grocer – when you're paying in full with your own money.
- However, when health insurance is primarily being used, we need adequate mechanisms to ensure the pooled funds are being spent appropriately. This requires not simply paying for whatever happens to occur.

"Udder people's money solves some problems – and creates some problems. Seems like when something new in health care is 1% better, you people end up paying several times as much for it." -- Franny

Sacred Cow #2: We Should Maximize Medical Dollars and Minimize Administrative Dollars

- Excess spending currently occurs in both the medical and administrative arenas. The excess needs to be identified and eliminated wherever it exists.
- Administrative investments in outreach and education, information technologies, data analytics, member services, and many other areas can be of tremendous value.
- A health insurance plan that is spending 92% of its revenue on medical services cannot be presumed to be "using funds better" than an MCO that is at 86%.

"Spending several quarts of milk on administrative outreach to keep folks stable and avoid hospitalizations is awesome. Having me just sit here and pay claims isn't." -- Giselle

Sacred Cow #3: Medicare Fee-For-Service Option Must Remain Available to All Beneficiaries

- The Medicare Advantage program involves a massive amount of spending on marketing activities and extra benefits merely for the purpose of enticing persons out of an ineffective and outdated FFS setting.
- Well-designed and effectively monitored mandatory enrollment coordinated care programs abound in Medicaid. Limited marketing is needed or allowed.
- The quality improvement and financial savings opportunities associated with serving seniors entirely in a coordinated care setting are exciting and promising. It is important for this model to be adequately tested (through mandatory enrollment, not passive enrollment) by our policymakers.

"It's widespread and effective to put people into coordinated care in Medicaid, but you won't even *test* this in Medicare? C'mon now, humans…. use those big brains you were given." -- Gilligan

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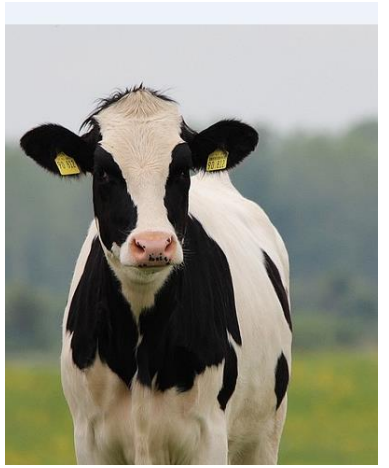
Sacred Cow #4: Provider-Centered Population Health Is The Future We Should Be Striving For

- Policymakers seem to be getting increasingly involved in "the who" when designing care coordination programs -- and losing sight of "the what."
- Many excellent hospital-sponsored and physician-sponsored MCOs operate on a full-risk capitation basis; nothing is preventing such organizations from forming or expanding.
- However, there can be a big difference between a provider's desire to be at the top of the "revenue chain" and a provider-sponsored entity's commitment and ability to coordinate care effectively and cost-effectively.
- In some situations -- particularly with the ACO model to date -- too much is being achieved in the political arena, far too little in the operational arena.
- State Medicaid programs and Medicare should partner with whomever is best-qualified to deliver comprehensive care coordination, and avoid pre-anointing certain entities (and pre-excluding others).



"Policymakers should be no more interested in helping put hospitals in charge of 365 day a year health needs than in helping put hotels in charge of overall housing needs. Hospitals *might* do this well, but it isn't their core function and you shouldn't be steering the system in this direction. *Steering.* Gosh, I think about steers a lot… -- Millicent

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Sacred Cow #5: We Should Have Equal Access to All Treatments

- Any given health problem can be treated in numerous ways.
- Much work lies in front of us to consistently utilize the lowest-cost treatments that will address an individual's health needs.
- Central to getting there is ensuring that we are willing and able to "say no" to higher-cost alternatives (or at least not pay for them with other people's money).

"I don't always take medication. But when I do, I prefer the one that's clinically effective at the lowest cost." -- Armando
(widely recognized as the most interesting cow in the world)

Our Contact Information

Phone: 571-312-2360
Website: www.themengesgroup.com
Email: jmenges@themengesgroup.com
Address: 4001 9th Street N., Suite 227
Arlington, VA 22203

Our 5 Slide Series conveys data and/or opinions with the intention of helping inform and improve health policy decision-making involving the Medicaid and Medicare programs. Our company's focus is on the design and operation of coordinated care programs that strive to make optimal use of taxpayer funds to favorably impact the health status of public health program beneficiaries.

In producing this particular edition, no actual cows were mistreated, disparaged, or consulted.

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