MHPA Public Testimony on Maine LD 1848, HP 1249: An Act to Establish a Managed Care Program for MaineCare Services

May 12, 2025, 10am ET

Good morning, Chairs Ingwersen and Meyer and member of the Health and Human Services Committee. My name is Stephanie Myers. I am the Director of State Affairs for the Medicaid Health Plans of America.

The Medicaid Health Plans of America (MHPA) is the only association solely focused on the Medicaid managed care industry. Through both advocacy and research, MHPA supports innovative policy solutions that enhance the delivery of comprehensive, cost-effective, and quality health care for Medicaid enrollees. We work on behalf of our 165 member health plans, known as managed care organizations (MCOs), that serve more than 51 million Medicaid enrollees in 41 states, DC and Puerto Rico. Our members include both for-profit and non-profit, national and regional, as well as single-state health plans that compete in the Medicaid market.

Thank you for allowing me to be here today to talk briefly in support of LD 1848, HP 1249 and about the value of Medicaid managed care.

To begin, I want to say that the proposed legislation is one of the most balanced and thought-out bills seeking to implement a Medicaid managed care program I have seen. A lot of effort when into the legislation so that Medicaid managed care in Maine would be implemented successfully and to the benefit of your Medicaid beneficiaries.

I also want to note that nearly three quarters of Medicaid beneficiaries are in comprehensive managed care.

At its core, Medicaid managed care exemplifies the public-private partnership that, through competition inherent to the bidding process – drives innovation and works to ensure that the state and federal dollars invested in Maine's Medicaid program are used as effectively and efficiently as possible. Medicaid MCOs are partners in the delivery of care and services whether working with their partner states, the federal government, providers, community organizations, or Medicaid beneficiaries.

Cost containment guardrails are built into the managed care delivery system that provides budget predictability and stability that is not found in fee-for-service. Capitation rates for MCOs are required to actuarially sound and approved by CMS; and the two most used mechanisms states use to implement mandatory managed care, section 1915(b) and 1115 waivers, require that expenditures are lower or equal to the costs as if the waivers were not in place.[1] Other financial benefits for states contracting with MCOS include aligned financial incentives, accountability, and limited financial risk. The state can also include unique requirements in their contracts to ensure that the services provided by MCOs are high-value and high-quality such as value-based payment arrangements.

MCOs are also accountable to their state partners through contracts that include enhanced quality performance metrics and data analytics. The standards that MCOs are required to meet

[1] State of Medicaid Managed Care 2022 , Sellers Dorsey

do not apply to other delivery systems. MCOs are aware that these requirements may increase provider burden, and routinely look at ways to lessen that burden. Maine is in the unique position to understand this going in and work with providers and MCOs on how best to make sure that standards are being met while also ensuring provider burden is minimized.

In addition to being accountable both financially and qualitatively, MCOs strive to provide innovative solutions that improve the lives of their enrollees.

Medicaid MCOs are uniquely positioned to provide holistic care to Mainers through their care management and care coordination operations. Care management optimizes family and caregiver engagement including ensuring that communications with family and caregivers are transparent, clear, consistent, culturally appropriate, and take into consideration the issue of health literacy. Support provided by a care coordination team and consistent care management can help a child and family navigate multiple health care systems and providers to ensure access to timely and appropriate care.

MCOs collaborate with local partners, such as community-based organizations, to better understand the needs of those they serve and are also embedded within the communities.

To provide even more value, MCOs will often provide value-added benefits in addition to what is covered under the Medicaid state plan. Examples of value-added services that MCOs provide their members as part of their administrative costs in other states include:

- Dental services beyond what is in the Medicaid state plan,
- Additional vision services,
- Programs for newborns and mothers,
- Virtual urgent care,
- 24-hour nurse lines,
- Services that address social determinants of health (SDOH),
- Gym memberships,
- Funding to help members successfully obtain their GED, and
- Incentives for completing wellness activities.

In closing, as you continue your discussions around the possibility of bringing comprehensive managed care to Maine, I cannot stress the importance of a continued robust stakeholder process, which as witnessed here today, you already understand the importance of. While any transition and programmatic changes have risks, engaging stakeholders and working together is the key to ensuring successful implementation.

Once again, I would like to thank you for the opportunity to provide testimony to the Committee. Please let me know if you have any questions.