



Testimony Before the Health and Human Services Committee

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I am the CEO of the Association for Community Affiliated Plans, a national trade association of 84 not-for-profit, Medicaid-focused health plans. As a former Medicaid Director for the state of New Jersey, I am well versed in the intricacies of Medicaid and Medicaid managed care. I am pleased to have the opportunity to discuss the value that Medicaid managed care and the Safety Net Health Plans (SNHPs) that I represent can bring to Maine.

Safety Net Health Plans are plans that are not-for-profit and focused on serving people with low incomes.

Why Managed Care — and Why Now

Today, managed care is the predominant model for delivering Medicaid services. States have routinely adopted managed care because it provides the structure and incentives necessary to drive value—rewarding outcomes over volume, investing in community-based care, providing the state with financial stability and enabling whole-person care through integrated services.

Maine is in a position to benefit from the lessons learned over two decades of managed care success across 40 states.

In its **2022 State of Medicaid Managed Care Report**, the health care consultancy **Sellers Dorsey**¹, notes the following benefits to states when they move to Medicaid managed care:

- 1. Improved Access and Services:** Managed care organizations (MCOs) compete for state contracts and enrollees by offering enhanced access to care, tailored service packages, and community-based support, resulting in broader and more responsive service offerings.
- 2. Cost Control and Budget Predictability:** States can better manage Medicaid budgets through capitation payments, which offer predictable, upfront payments to MCOs. This helps limit fee-for-service (FFS) overuse, which traditionally incentivizes volume over value.
- 3. Enhanced Quality of Care:** The system requires MCOs to meet minimum performance and quality standards, often tied to financial incentives or penalties. These include metrics like well-child visits, immunizations, and hospital readmissions.
- 5. Integration of Services:** Managed care enables integrated models of physical, behavioral, and long-term care services (MLTSS), improving coordination, outcomes, and user satisfaction—seen in states like Arizona and California.
- 6. Innovation and Community Investment:** MCOs invest in social determinants of health (SDOH) through programs that address housing, transportation, nutrition, and health equity, fostering a more holistic approach to care.
- 7. Accountability and Oversight:** Federal and state regulations mandate reporting on outcomes, medical loss ratios (MLRs), and external quality reviews, increasing transparency and program integrity.

I would note here for the record that ACAP was a contributor to the *State of Medicaid Managed Care* report.

Why Include Safety Net Health Plans in the Transition?

As Maine considers who it wants to entrust with the care of its most vulnerable residents, it should consider requiring that all plans be either not-for-profits or Safety Net Health Plans. Minnesota currently requires Medicaid plans to be not-for-profit.²

Here's why:

Key Role in Medicaid Programs: Safety Net Health Plans are the backbone of the nation's Medicaid managed care programs, which have become the dominant delivery system for most state Medicaid programs, covering around 40 percent of all the people in Medicaid managed care.

Over the last decade, Medicaid managed care membership has become increasingly consolidated in a small number of publicly held, for-profit health plans. This consolidation results, at least in part, from states inadvertently making program and procurement decisions that disadvantage community-based

¹ <https://www.communityplans.net/research/2022-state-of-medicaid-managed-care-report/>

² <https://ccf.georgetown.edu/2024/06/13/for-profit-mcos-in-minnesota-medicaid-no-more-welcome-mat/>

plans. The sustainability of healthy competition among health plans may depend upon the continued involvement of local plans. Without changes, however, states' procurement and program design decisions will threaten the viability of local plans, leaving states heavily reliant on these large national plans and without the purchasing leverage and local plan relationships that are such important features of today's Medicaid managed care landscape.

Mission and Not-for-Profit Status: SNHPs share a mission to provide high-quality healthcare to people with low incomes and complex healthcare needs, and to support the Medicaid program during good times and bad.

SNHPs are not-for-profit and are not publicly held, and as a result do not have the same pressure from Wall Street to demonstrate quarterly growth and profits for shareholders. Accordingly, SNHPs **make long-term investments in the community—and, most importantly, the members they serve.**

Intimate Knowledge of the Community: SNHPs know and are trusted by the communities they serve.

- SNHPs have **deep roots in their communities**; many SNHPs have served Medicaid enrollees for more than 30 years.
- SNHPs have a long history of working closely with their communities – residents, providers, Community Based Organizations (CBOs), and others – in an effort to **improve community health**. So, SNHPs are well-known in their communities.
- Many SNHPs reinvest in their communities with initiatives that seek to address the effects of barriers to care and coverage that exist because of decades of systemic racial and ethnic discrimination across the country. In short, providing equitable access to healthcare is woven into the DNA of SNHPs.

Quality of Care: Relative to non-ACAP plans, ACAP plans achieve better quality of care³ performance.

- Across adult, child, and behavioral health HEDIS® measures, **ACAP member plans exceed the performance of all other plans on 101 of 195 measures** (i.e., 52% of measures).
- Of these HEDIS® metrics, ACAP plans outperform non-ACAP plans in key priority areas for state Medicaid programs, such as cervical cancer and chlamydia screening, prenatal and postpartum care for pregnant women, depression screening and remission measures, and child and adult immunization metrics, among other areas.

Measurement Year 2023 HEDIS and CAHPS
Comparison Analysis:
ACAP Plans and Non-ACAP Plans

This analysis compares the averages of 62 ACAP plan products to the averages of 175 non-ACAP plan products that submitted HEDIS® data to the NCQA Quality Compass in Measurement Year (MY) 2023 (using data from 2023), in Reporting Year 2024. Prepared by ACAP staff, this analysis evaluates NCQA Quality Compass® data, which are used with the permission of the National Committee for Quality Assurance ("NCQA"). Any analysis, interpretation, or conclusion based on these data is solely that of the authors, and NCQA specifically disclaims responsibility for any such analysis, interpretation, or conclusion. Quality Compass® is a registered trademark of NCQA. HEDIS® is a registered trademark of NCQA.

Provider Network and Provider Relationships: SNHPs have stronger provider networks than non-ACAP plans.

- SNHPs are not new to the communities they serve; in fact, many have been serving their communities for more than 30 years. So, they have **strong and longstanding relationships with providers in their communities**, particularly those who play a crucial role in serving Medicaid members.
- SNHPs have **strong links with other safety net providers** to ensure that their members have regular access to patient-centered care. In fact, many SNHPs were established by safety-net providers, such as community health centers, children's hospitals, and public hospitals.
- Recognizing that our providers and members are experiencing the results of the healthcare workforce shortage, member plans are investing in workforce development initiatives. For example, one health plan has launched a Healthcare Workforce Expansion Initiative which partners with local educational institutions and healthcare providers to expand the pipeline of nursing and physician professionals. Another plan applied for and received a grant to support educational partnerships and internships and to staff one individual full-time to focus exclusively on helping providers recruit and retain staff.

Health Related Social Needs (HRSNs)/Social Determinants of Health (SDOH)

- SNHPs have **strong and longstanding relationships with their communities and the Community Based Organizations (CBOs) that address HRSN**.
- SNHPs have led the way in developing innovations to address housing, economic stability, education, social supports, food insecurity and other social determinants of health.⁴ For example, in a 2023 survey, 70 percent of ACAP plan survey respondents indicated that they assessed the social risk factors for the communities they serve, 65 percent use their findings to identify members for prioritized outreach and HRSN interventions, and 50 percent use their findings to develop HRSN programs. Survey respondents reported that they work to address a wide range of HRSNs including but not limited to: housing, transportation, food/nutrition, education, employment, utility needs, interpersonal violence, and loneliness, among others.
- Grounded in the communities they serve, ACAP plans are also **uniquely mission-driven and otherwise situated to address health equity and racial disparities**, and to facilitate members' access to CBOs to address HRSN.

Member Experience

Relative to non-ACAP plans, ACAP plans achieve **better member experience performance** scores on key measures relating to members' rating of their care, including CAHPS® child and adult survey Rating of Health Plan measures.⁵

⁴ <https://sdohinnovation.org/wp-content/uploads/sites/2/2024/04/2023-ACAP-SDOH-Benchmark-Assessment-Summary.pdf>

⁵ ACAP 2024 CAHPS® Comparison Analysis: ACAP Plans and Non-ACAP Plans. Based on analysis conducted by ACAP staff, this analysis compares the average scores from 62 ACAP plan products with those of the remaining 175 products (all plans less ACAP member

- Across adult, child, and behavioral health CAHPS® measures, ACAP member plans exceed the performance of all other plans on 25 measures.
- **Adult Survey: Rating of Health Plan (8+9+10)** is better with statistical significance compared to non-ACAP Plans.