Advancing the university mission through partnerships with state medicaid programs
Advancing the University Mission Through Partnerships With State Medicaid Programs

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Abstract

State Medicaid programs are playing an increasingly important role in the U.S. health care system and represent a major expenditure as well as a major source of revenue for state budgets. The size and complexity of these programs will only increase with the implementation of the Patient Protection and Affordable Care Act. Yet, many state Medicaid programs lack the resources and breadth of expertise to maximize the value of their programs not only for their beneficiaries but also for all those served by the health care system.

Universities, especially those with medical schools and other health science programs, can serve as valuable partners in helping state Medicaid programs achieve higher levels of performance, including designing and implementing new approaches for monitoring the effectiveness and outcomes of health services and developing and sharing knowledge about program outcomes.

In turn, universities can expand their role in public policy decision making while taking advantage of opportunities for additional research, training, and funding. As of 2013, approximately a dozen universities have developed formal agreements to provide faculty and care delivery resources to support their state Medicaid programs. These examples offer a road map for how others might approach developing similar, mutually beneficial partnerships.

Since its inception in 1965, Medicaid has evolved to become the foundation for the nation’s health care safety net and the primary source of health insurance coverage for more than 62 million poor, elderly, and disabled residents. The states administer Medicaid programs under federal standards, while the federal government provides matching funds at varying levels. In 2010, the total national Medicaid expenditure was $404.1 billion; $272.8 billion (68%) represented federal spending and $131.3 billion (32%) represented state spending. Medicaid represents a major expenditure as well as a major source of revenue for state budgets. On average, states annually spend over 16% net of their general budgets on Medicaid; Medicaid, in turn, is the largest source of federal revenue for states, representing over 40% of all federal funding for states.¹

Under federal law, states have significant flexibility in managing their Medicaid programs. For example, many states use Medicaid funding to provide supplementary payments to safety net providers and to support graduate medical education.² Other states have taken advantage of Medicaid waivers to offer optional benefits to beneficiaries and to address cases of uncompensated care by expanding Medicaid eligibility. The result is a wide variation among states in Medicaid policy and programs. These differences can greatly affect health care systems for Medicaid beneficiaries and for all those who receive care independent of the source of their payment.

Federal health reform through the Patient Protection and Affordable Care Act (ACA) expands the eligibility and coverage options for Medicaid and encourages innovation in payment methodologies and the organization of care. Although the ACA is a federal law, most of the projected newly insured will be covered by state Medicaid programs, which now can offer coverage to all U.S. citizens younger than 65 years with household incomes below 133% of the federal poverty level. To support states and minimize the financial burden of the Medicaid expansions under the ACA, the federal government will cover the entire cost of insuring the newly eligible from 2014 through 2017, with that support decreasing to 90% by 2020.

The Congressional Budget Office initially estimated that the combination of the ACA’s increase in Medicaid income eligibility, the newly eligible category of adults without children, and the “individual mandate” to purchase insurance coverage would ultimately bring an additional 16 to 17 million currently uninsured individuals into the Medicaid and Children’s Health Insurance Program programs.³ Although the Supreme Court’s June 2012 decision made the expansion of Medicaid optional for states, it is expected that most states will come to accept the federal funding and expand their programs over time.

Regardless of whether a state elects to expand Medicaid eligibility, Medicaid programs and beneficiaries stand to benefit from the ACA because of opportunities related to innovative payment methodologies and care delivery strategies if states can muster the resources required for the evaluation of policy options, system design, program development, and implementation. Several state Medicaid programs have chosen to partner with universities, for example, in pursuing opportunities related to patient-centered medical homes, payment reform and other state innovation models, and design and implementation of integrated eligibility systems under the ACA.
University–Medicaid Program Partnerships

The potential for rapid growth and change in state Medicaid programs, coupled with the substantial planning, policy development, and enhanced infrastructure that these changes require, has added significant stress to a system already strained to its limits. Most state Medicaid programs are underfunded and face significant financial and human resources constraints as well as challenges in developing and maintaining the type of knowledge assets appropriate for programs of such size, importance, and complexity.

As a result, all state Medicaid programs are in need of policy, research, and clinical expertise to help with designing and implementing new approaches for monitoring the effectiveness and outcomes of health services provided and with developing and sharing knowledge about program outcomes to inform the rest of the health care system.4 To address these needs, state Medicaid programs frequently look beyond their own agency for policy and analytic support.

Universities, particularly those that train health care professionals, have research, evaluation, and clinical resources that can support Medicaid programs in developing and implementing new approaches to expanding access, measuring and improving quality, controlling the cost of care, and researching the impact of various health services on health outcomes and the larger health care delivery system.

State Medicaid programs can benefit from the wide range of expertise of university faculty who can support Medicaid programs in addressing recognized problems and discovering new opportunities for improvement and innovation. In that universities may be seen as independent and bring unique academic resources and methodologies to the table, Medicaid programs may find working with their states’ universities to be a way of engaging stakeholders around an accepted understanding of the programs’ cost and performance.

The training capacity of universities can also be a valuable resource for Medicaid systems. For instance, universities can help state Medicaid programs with staff development to enhance capabilities, performance, and job satisfaction so that these programs can better address current and future challenges. In addition, universities can support a pipeline of future employees by aligning classroom, service learning, and other types of training opportunities with the staffing needs of Medicaid programs.

Public universities may be particularly well suited to partner with state Medicaid programs; state universities and Medicaid programs are both subject to their states’ budget processes. State officials also have experience working with faculty from public institutions on a variety of state government programs within and outside the health arena. Some public universities, including our own, have embraced the responsibility of contributing to the public good by partnering with state programs and recognize the value of public service performed by their academic faculty.

The University Perspective

From a university perspective, providing support for state Medicaid programs can add a wealth of research and applied practice opportunities for a wide range of faculty, including medical, nursing, public health, economics, social work, law, and many other departments. Through their engagement with policy makers, university faculty can acquire a strong understanding of timely and important research questions as well as gain access to rich sources of data on low-income, diverse patient populations that have a high level of need for health care services.

University faculty also can pursue financial support from the state Medicaid program itself or from external funders who are increasingly seeking ways to promote collaborations between investigators and the end users of their scientific research.5 In addition, Medicaid programs have access to funding sources not otherwise available to universities, including federal grants targeted at state Medicaid agencies and the ability to draw down federal matching funds for Medicaid administrative activities that the agencies perform in collaboration with the universities.6

By engaging with policy makers in conducting their work, university faculty may find that they can more effectively use their findings to influence policy decision making. The complex nature of Medicaid programs requires the involvement of faculty from across departments, schools, and even campuses. A shared focus among these faculty stemming from their work with Medicaid encourages the establishment of academic bonds that can strengthen a university’s focus on meaningful health policy studies and training programs.

As of 2013, approximately a dozen universities have developed formal agreements to provide faculty and care delivery resources to support their state Medicaid programs in a number of ways, including:

• Developing systems for measuring health outcomes and performing research on program effectiveness
• Providing oversight of clinical staff and developing clinical policies
• Providing expert consultation on program design and evaluation
• Applying for and managing grants and contracts on behalf of the Medicaid program

Fostering Partnerships

Our experience at the University of Massachusetts Medical School and the University of California and the experiences of others suggest that there are significant benefits to university partnerships with state Medicaid programs. However, challenges also exist in building and maintaining these relationships due to the differing missions, incentives, and cultures of the organizations involved.

These challenges can be addressed through the commitment and persistence of institutional leaders, the interest of faculty in influencing public policy, and the development of a supportive infrastructure. We see opportunities for faculty, university leaders, and state and federal Medicaid administrators to foster these relationships for the benefit of all involved.

We believe that faculty and university leaders can foster successful partnerships with Medicaid programs by:

• Identifying and providing support and encouragement for faculty and staff
who are interested in working with those served by public programs

• Recognizing the value of and offering academic recognition—including promotion and tenure decisions—for the efforts of faculty and staff who engage in this challenging public policy domain

• Investing in the infrastructure needed to support the institutional relationship, for example, by preparing the university’s contracting office for new types of state and federal funding vehicles, allowing flexibility in determining overhead rates, and developing mechanisms for timely response to task orders and requests for proposals

• Encouraging deans to share institutional learning and resources to nurture these relationships, including working directly with the Centers for Medicare and Medicaid Services and other federal agencies to explore ways of supporting excellence in the administration of these programs.

Interested faculty may want to coordinate efforts with their university’s administration and government relations staff to reach out to their state Medicaid program to better understand their priorities and specific challenges in the era of health reform and to identify university resources that might be helpful in meeting those challenges. Academic administrators may be surprised to find that substantial activity already is under way at the individual faculty and departmental levels and that substantial benefits exist to coordinating these resources under one umbrella and entering into a more formal relationship with their state Medicaid program.

Universities that are new to this arena should seek the help of those institutions with previous experience and a track record of working with their state Medicaid programs to share lessons learned and resources where appropriate. As increasing amounts of federal dollars are being committed to expand Medicaid under the ACA, a case also can be made to federal policy makers to encourage these partnerships as a way to support state Medicaid programs and to ensure that they have all the tools they need to meet their many new responsibilities in the era of health care reform.

For their part, federal and state Medicaid administrators need to allow the time and flexibility for these relationships to develop, and to acknowledge the benefits of their academic partners retaining objectivity and transparency in the evaluation of their programs and the dissemination of results. States need to provide Medicaid staff with the time to effectively engage with their academic partners. Explicitly promoting these relationships may have value at the federal level as an efficient mechanism for garnering key resources for the effective management of Medicaid programs for the benefit of the people they serve.

In summary, our experience demonstrates that appropriately structured partnerships offer the potential for substantial benefit to Medicaid programs and to universities in meeting their public service mission while supporting faculty, students, and research and training programs. In particular, we encourage the faculty and leaders of medical schools to consider how they might contribute to and benefit from a stronger relationship with their state Medicaid programs. University–Medicaid program partnerships can benefit all parties involved, and, together, these organizations can leverage significant financial and human resources to support the effective translation of research and practice into policy.

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