

What does Managed Healthcare Actually Mean for Me and My Family?

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Okay, so what does all this managed health care really mean and what is the bottom line? How could it affect me and my family?

First a Little Background

Money is tight. It's tight everywhere and the State's budget has not been left unaffected. In looking for cost-effective alternatives to providing high quality care to its Medicaid population, the Department of Health and Human Services (DHHS) has been charged with coming up with a way to save 32 million (yup, 32 million) dollars from its budget. In order to do this it is considering a managed healthcare system which would provide authorized care to drive down health care costs while still serving the growing numbers of people who need services.

Managed Healthcare? What Does that Really Mean?

Managed Healthcare means that healthcare services are managed by an organization whose job is to make sure that costs are contained. Part of their job will be to:

- Come up with defined metrics and measurements—every cost will be measured against these metrics and standards
- Ensure that all costs must produce clear measurable benefits—if there is no measured benefit, the money will not be allocated
- Make sure that it produces sustainable value that can be quantified—the bottom line will become an extremely important consideration in authorizing care and services

In essence this means that an organization whose sole

purpose is to contain costs will take over (manage) the healthcare for the Medicaid population.

Hmmm, Who Else Has Managed Healthcare?

There are currently four states who have implemented managed healthcare, they include:

- Arizona – late 1980's
- Michigan – late 1990's
- Vermont – 2005
- Wisconsin – 1999

Well That's Doesn't Seem so Bad, What Are the Benefits?

Some of the benefits of managed healthcare to date have included:

- No waiting lists for services
- A single case manager to oversee all care
- Integration of health and Long Term Services & Supports (LTS&S)
- Emphasis on early intervention financially—providing services earlier is often more effective than trying to handle it later
- A leaning toward geographic equality within the state
- Additional federal matching dollars

That Sounds Pretty Good. What Are the Drawbacks?

In the states who already have managed healthcare, we've seen:

- A potential for medicalizing supports—turning a supportive service into a medical cost

- Unnecessary paperwork for healthcare—and possible delays
- A steep learning curve and difficulty recruiting and retaining qualified personnel

Bottom Line? What Could Managed Healthcare Mean for Me?

Saving money is good right? Sure, we can all agree to that but in a managed healthcare situation an outside agency (which could even be located out of state) might be the ones that are making the decisions on you or your loved ones' healthcare. Because their job is to cut costs, they might not agree with you

that an aid for your child during the day is the best way to spend funds. You might lose a service you have already been receiving.

If the providing agency is out of state they might not know about area providers like the therapist your child has been using for years and instead might assign another provider who might come in at a reduced rate. This could result in the family's voice regarding health care not being heard and it could also potentially result in a loss of area vendors.

Most likely agencies would be consolidated which might mean a reduction of services.

Managed Healthcare is a complicated issue. It's not that we don't want to save money,

or even that we are averse to change but the discussion of managed healthcare needs to include how families can still be involved while services improve. It needs to include acknowledgment that sometimes it's the local providers that know best for the person receiving services.

Drastic changes with regard to healthcare are going to happen. It may not be as much "if" as much as it is when. It's important for those in discussions involving managed healthcare as a way for the state to save money to acknowledge that it wouldn't be prudent to throw out what is currently working in some cases in order to bring in an unknown simply for the sake of reducing costs. ■