

Oklahoma is one of only 10 states that has not moved to Managed Care for its Medicaid population.



Oklahomans for
Better Medicaid

Forty states and D.C. use Managed Care to create healthy outcomes and contain costs. Under Oklahoma's current fee-for-service system, **Oklahoma ranks among the worst in the nation in health outcomes – and we're not getting better.**



Managed Care. Better health, reduced costs

Myths vs. Facts

MYTH

FACT

Oklahoma Health Care Authority can implement Medicaid Managed Care on its own.

FACT: The cost to implement a single payer Medicaid Managed Care program would be over \$1 billion dollars over the next five years. Estimated timeline for implementation of CMS approved IT Systems is two to three years. Due to CMS regulation, there are significant limitations to a state-run program.¹

Managed Care Organizations have 15% administrative costs.

FACT: Administrative costs are much lower. Managed Care requires a minimum of **85% of premium dollars to be spent directly on medical services.** In reality, Medicaid **Managed Care Organizations spend much more than 85% on medical claims.** The percentage not spent on medical claims will be used to improve health outcomes, in part by employing Oklahomans specially trained in managing care and educating members.²

Managed Care restricts patient access.

FACT: Managed Care Organizations coordinate and even incentivize members to access preventive care, such as prenatal visits and well-child visits. Network adequacy requirements ensure provider availability. **Managed Care Organizations offer new value-added benefits and help members address social drivers of health, such as food insecurity, stable housing, and employment.**²

Myths vs. Facts



MYTH

FACT

Provider reimbursement rates will be cut.

FACT: Managed Care Organizations pay providers at least the same reimbursement rates they receive under the Medicaid fee schedule. In fact, Managed Care requires value-based contracts that pay for performance, allowing providers who improve health outcomes for their patients to earn more than in the past.²

Under Managed Care, providers are at the mercy of Managed Care Organizations.

FACT: There are several important provider protections that are already part of state law and in the contract each Managed Care Organization signed with the state. These include requirements to authorize services quickly, pay claims on a timely basis, resolve disputes quickly, and pay providers at or above the current Medicaid fee schedule.²

Managed Care will be more costly than the current system.

FACT: Across a 10-year time frame, national savings from Medicaid Managed Care programs are projected to reach \$94.4 billion when compared to fee-for-service programs. **Oklahoma's Managed Care program has built in a savings of \$800 million over three years.** Managed Care Organizations will reduce costs by proactively helping enrollees improve their health and well-being, rather than reactively treating preventable diseases and conditions.²

Managed Care won't improve quality or health outcomes.

FACT: Nationally, Managed Care Organizations improved performance on 26 out of 30 key HEDIS and CAHPS quality measures between 2014 and 2018. To ensure quality improvement, the Oklahoma Health Care Authority will withhold a portion of payment until Managed Care Organizations meet targets related to well-care visits, hospital readmissions, and other important measures.²

Managed Care will send billions of dollars out of Oklahoma.

FACT: Managed Care keeps Oklahoma dollars in Oklahoma. **Managed Care Organizations directly pay Oklahoma health care providers to deliver care, and they are required to hire local, Oklahoma-based teams to manage the care of Medicaid members.** This creates hundreds of high-paying, quality jobs in Oklahoma, boosting our state's economy.²

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While special interests fight to maintain the status quo, brave leaders are working to reform our Medicaid system, like 40 other states have already done. By partnering with the private sector, the state can save taxpayers hundreds of millions of dollars.

For more information about the truth of Managed Care, please visit us online:

www.oklahomansforbettermedicaid.org



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Source:

1. SB 131 Fiscal Impact Bill Summary - <https://bit.ly/3y3rOca>

2. Oklahoma Health Care Authority