

## Setting the Record Straight on Broken Promises, Now Let's Move On

Medicaid advocates and providers have been talking a lot about the [administration's policy reversal](#) with a [troubling](#) decision to consider [downside risk as a payment model](#) for Medicaid. A main source of concern is that stakeholders had **clear and repeated promises from the administration not to implement downside risk in Medicaid**. The administration is now focusing on one non-Medicaid SIM document as their evidence that they only meant to limit downside risk until 2019 when the State Innovation Model (SIM) grant finishes. So let's thrash through those weeds, lay the question to rest, and move on.

The [final SIM plan](#) from December 2013 stated that Medicaid would not lead the market into a shared savings payment model but would wait until the rest of Connecticut was already in this new, untested scheme and Connecticut's most fragile residents could benefit from the lessons learned. At the time, the administration understood the unique features of Medicaid – the largest coverage program in the state, very fragile members, a plan that pays providers far less than others, and to preserve the program's [amazing progress](#) improving quality, access and controlling costs. It made sense to wait.

Unfortunately [the next summer](#), the administration changed their minds and broke that promise, forcing Medicaid to develop a hasty plan for shared savings. The reason given at the time was the need to get federal approval for the SIM grant. At that point, the administration acknowledged they were changing direction but urgently sought the engagement and participation of consumer advocates and providers in designing the plan. Many were reluctant, so the administration made a commitment not to implement downside risk. We participated so the plan would do as little harm as possible – and maybe even a little good. We believed we were helping design shared savings for Medicaid **instead** of downside risk, not as a precursor to it. It is safe to say that advocates would not have participated in designing, and likely would have opposed, shared savings without the promise.

So we helped – a lot. A mountain of work and lots of meetings in a very short timeframe [resulted in PCMH+, formerly known as MQISSP](#). By agreement, the PCMH+ planning happened independent of SIM, through a negotiated protocol, and under the auspices of [MAPOC](#), the Medicaid oversight council that focuses exclusively on the program and has decades of experience designing successful Medicaid policies.

In the end, PCMH+ was designed with meaningful quality standards and incentives. It also includes reasonable policies to discourage underservice, denials of appropriate care, as famously happened under HUSKY managed care in the 1990s, a universally recognized “spectacular failure”.

So to the **details of the promise** – please note that none of these references has an expiration date.

From page 1 of the [MQISSP RFP](#) “There will be no downside risk (i.e., MQISSP Participating Entities will not return any share of increased expenditures incurred by Connecticut Medicaid).”

And on page 5 of the same document “There will be no downside risk for MQISSP Participating Entities, meaning that MQISSP Participating Entities will not be required to return any portion of increased expenditures incurred by Connecticut Medicaid.”

From the [concept paper submitted to CMS](#) page 2 “There will be no downside risk”

And on page 18 of the same document “DSS does not plan to include a minimum savings rate because of the retrospective nature of the shared savings calculation, the comparison group approach for expected trends (upon which savings will be based), and the upside-only model design (no downside risk for the MQISSP Participating Entities with higher than expected expenditures for MQISSP members assigned to those MQISSP Participating Entities).”

From the state’s [official primer on MQISSP](#) page 2 “There will be no downside risk on providers.”

**So what changed?** Last year the state’s Health Care Cabinet was charged with making recommendations for health reform to the General Assembly. In July, the Cabinet’s consultants (who were unaware of the commitment) [proposed downside risk for both Medicaid and the state employee plans](#), as part of their larger goal to align the two programs. When advocates reminded the administration of their commitment, we were surprised to be told that there was no such commitment. In their assertion, the administration cited a different document from SIM responding to public comments on SIM’s grant application. That document only covered the SIM grant timeframe and was never shared with the Medicaid committee working on designing MQISSP/PCMH+. In the quote (below) SIM (not DSS – the Medicaid agency) only states that downside risk will not be implemented during the SIM test grant period that ends in 2019. It says nothing about plans after that point. Even if we’d seen it, this document changes nothing. It is fully consistent with the promises cited above in five places.

From page 26 of SIM response #8 to [public comments about the SIM grant timeline](#)  
“The Department of Social Services recognizes concerns raised by consumer advocates about downside risk in Medicaid. The Department of Social Services is planning to focus on the development of upside only shared savings programs under the Plan. The Department of Social Services will not implement downside risk during the test grant period.”

One administration argument is that the commitment only applied to the program named MQISSP (now PCMH+), and they plan to change the name if they implement downside risk. This doesn't deserve a response.

We understood that this was a promise by the current administration and cannot be binding on the next. While it's been suggested that there may be a new administration by 2019 when the proposal would implement downside risk for Medicaid, there also may not be. In any case, we would not expect that the current administration would begin planning for and define prerequisites for downside risk now, less than a year after last confirmation of the commitment.

#### **Why is this important?**

- **Trust** – The Cabinet's consultants correctly identified a pervasive, very strong lack of trust between Connecticut stakeholders as the first barrier to health reform progress. One beacon of hope in this sorry situation is the recent change in how Medicaid does businesses – engaging stakeholders in common goals, a fierce commitment to transparency, and openness to differing perspectives. This broken promise will set back Connecticut's only success story for building trust in health care reform.
- **Second chances** – This is the second time in the development of MQISSP/PCMH + when commitments to stakeholders have been violated. The first, cited above, was the promise that Medicaid would not lead Connecticut's market back into payment models with financial risk.
- **Perceptions** – [Connecticut politics and policymaking is in a deep, dark hole of despair](#). The hole is not limited to health care, but it is very strong here. People who act constructively and independently are few. There is a very real possibility that honest stakeholders will just give up and go away.

**Bottom Line:** Connecticut's administration should honor their commitment to take downside risk off the table for Medicaid. They should focus on supporting and building on current successes.