



Mario J. Paredes
Chief Executive Officer
mparedes@somoscommunitycare.org
646.979.7613

A 'MEDICAID MOMENT' IS OPPORTUNITY TO INTRODUCE RADICAL REFORM

By Mario J. Paredes

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THE US GOVERNMENT HAS ANNOUNCED THAT IT WILL EXTEND PROVISIONS of the Public Health Emergency that was triggered by the pandemic. States receive extra federal funds to pay for Medicaid coverage if they agree not to oust anyone from Medicaid while the Public Health Emergency remains in force. By October, with the provisions likely to end, an estimated 98 million people will be enrolled in Medicaid. That figure already stands at a record 85 million, a 19 percent increase since the start of the pandemic.

Important as this coverage is for many millions of Americans—as it affords at least a modicum of basic care—traditional Medicaid has a poor record. It is prone to waste and fraud, overall delivering at best a mediocre if not low level of health care. Moreover, the labyrinthine Medicaid system is hard to maneuver; it is a challenge, particularly for the poor, to book appointments with Medicaid providers.

Another obstacle to quality health care for the neediest members of society is the fact that Medicaid pays providers for discreet medical services, such as check-up appointments or a particular test. These interventions often do not add up to comprehensive, holistic care, while no singular physician is aware of or coordinates the overall treatment package. The result is that the most vulnerable Americans receive subpar health care.

That reality was revealed in a famous 2010 study in Oregon measuring the effect on the health of people who went on Medicaid, compared to a similar population that did not obtain Medicaid coverage. The overall result was that Medicaid had little effect on people's health.

The authors of the study concluded "that Medicaid coverage generated no significant improvements in measured physical health outcomes in the first two years." Health indices measured included blood-pressure, cholesterol, and glycated hemoglobin levels. Medicaid coverage had no "significant effect" "on the prevalence or diagnosis of hypertension or on the use of medication for these conditions."

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2910 EXTERIOR STREET, 1ST FLOOR • BRONX, NY 10463 • SOMOSNYHEALTH.ORG • 1 833 SOMOSNY (1.833.766.6769)



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Matters are made worse by low Medicaid rates of payments to providers, which are about half of what private insurance pays doctors for primary care services. It is a strong disincentive for doctors to accept new Medicaid patients, with only 70 percent of doctors accepting new Medicaid patients, compared to 90 percent of doctors taking on new patients who have private insurance.

Writing in *The Wall Street Journal*, Brian Blasé, who served as special assistant to President Trump at the National Economic Council and heads the Paragon Health Institute, stresses that growth in the Medicaid population triggers a greater demand for health care but fails to increase the number of doctors and nurses to accommodate new patients. Thus, expanded Medicaid coverage “has led to a surge in unnecessary emergency-room use” and “delays in care from longer appointment wait times.”

Up against this awful picture of Medicaid stands the remarkable success of a unique group of New York City Medicaid providers. SOMOS Community Care is a network of 2,500 physicians—most of them primary care providers—caring for some one million of New York City’s poorest Medicaid recipients, the bulk of them Hispanic Americans, Asian Americans, and African Americans.

Founded in 2014, SOMOS was one of 25 so-called Performing Provider Systems operating under the mandate of the Distribution System Reform Incentive Payment (DSRIP) program (2014-2020). DSRIP was driven at its core by the Value-Based Payment (VBP) system. Simply put, VBP means that providers are compensated based on the longer-term health outcomes of their patients—the healthier the patient, the greater fee paid to the doctor.

To optimize results, SOMOS doctors do their utmost to really get to know their patients, becoming aware of all their physical, mental, and even social needs. The latter fall under the rubric of the Social Determinants of Health—poor housing, unemployment, lack of access to healthy food, etc.—which have a still poorly understood but significant impact on a person’s overall well-being. To fully understand patients’ circumstances, SOMOS doctors rely on Community Health Workers, who visit patients’ homes, and remind patients of medical appointments.

SOMOS physicians also benefit from a cultural affinity with the people under their care; in many cases, they live and work in the same neighborhood as their patients, with whom, in many cases, they also share an ethnic background. Patients feel known by their doctors and a genuine bond between physician and patient is established, with the doctor assuming the role of the family doctor of old, a trusted figure and community leader, who advocates on their behalf, for example, through rallying Community-Based Organizations to meet patients’ social and economic needs.



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SOMOS, a pioneer in Value-Based Payment, has demonstrated that smart Medicaid spending—in contrast with traditional Medicaid and its many failings—benefits all constituents: patients, who receive excellent care; doctors, who are rewarded for going the extra mile; and taxpayers who benefit because healthier patients, and chronic conditions kept in check, translate into fewer visits to the ER and fewer hospital stays.

For example, SOMOS, by cutting back by more than 25 percent on unnecessary visits to the ER and unnecessary hospital stays, saved New York State taxpayers more than \$300M. Quality care and monitoring ensure that patients' health issues do not get out of hand to the point of patients needing to go to the ER. Plus, the Value-Based Payment model, once more widely adopted at state and federal level, would surely attract more providers with the challenge of practicing medical arts at a higher level and the promise of higher compensation.

Medicaid reform hinges on smart spending—spending that will please fiscal hawks as well as advocates for the most vulnerable members of society alike. Given the ballooning Medicaid population—this 'Medicaid moment'—there is a great opportunity for federal and state governments alike to conduct studies that compare traditional Medicaid coverage with the Value-Based Payment model. The well-being of millions of Americans and potentially enormous savings for the publicly funded health care budget hang in the balance.

Mario J. Paredes is CEO of SOMOS Community Care, a network of 2,600 independent physicians—most of them primary care providers—serving close to a million of New York City's most vulnerable Medicaid patients.