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THE SMART WAY TO EXPAND MEDICAID

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1/12/2024

A FISCAL HAWK rejects the Medicaid expansion in 40 states, saying the now ten-year-old expansion of the program under Obamacare has led to a growth in federal and state spending without improving the health of beneficiaries. Writing in *The Wall Street Journal*, Brian Blase, President of the Paragon Health Institute, praises Florida's decision to resist the political push for expansion, saying that that move has already saved taxpayers almost \$50B. He labels Medicaid expansion "a massive increase in public welfare."

Blase notes that mortality rates in expansion states were higher during the first four years of Medicaid expansion. Another issue has been the payment of providers and health insurance entities, with 20 percent of payments nationwide erroneously made for the medical care of ineligible patients. Blase claims that research has found that, after expansion, Medicaid enrollees were one-third less likely to be able to make doctors' appointments, sending program recipients to emergency rooms—and hospital beds—for costly treatment.

Blase charges that, at the same time, Medicaid spending on behalf of children, as well as people with disabilities, "stagnated." Meanwhile, in expansion states, more was spent on "able-bodied working-age adults." Medicaid, the argument goes, should make "those who most need it" a priority. As it stands, a "much bigger Medicaid program" has not improved health.

There is no doubt that the Medicaid program needs fixing. Traditional Medicaid only marginally improves the health of beneficiaries. A famous 2010 study in Oregon found that the health of beneficiaries showed practically no benefits compared to the health of individuals without healthcare coverage. For example, there was no difference in the prevalence or diagnosis of hypertension or high cholesterol levels or in the use of medication for this condition.

Yes, traditional Medicaid makes it challenging for beneficiaries to find doctors, from primary care physicians to specialists. In many settings, the patient faces a labyrinthine task to build even a rudimentary relationship with physicians. Moreover, a growing number of Medicaid doctors are reluctant to take on new patients, given the challenges of Medicaid payment rates, which, to begin with, are significantly lower than payments made by Medicare and private insurers. Plus, almost 20 percent of Medicaid payments due are not paid in full, a much higher share than the unpaid balances under Medicare and private insurance.

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The payment issue needs urgent fixing. An additional challenge is the considerable number of fraudulent claims made by physicians.

These fundamental issues plaguing the Medicaid program and that validate critics' opposition to Medicaid expansion—above all concerning the questionable quality of Medicaid care—are being addressed by SOMOS, a unique network of more than 2500 independent doctors in New York City. These physicians—most of whom are primary care providers—care for more than one million of the city's most vulnerable patients, many of whom are African Americans, Asian Americans, and Hispanics.

SOMOS got its start as a participant in an innovative Medicaid initiative— Delivery System Reform Incentive Payment (DSRIP) Program—launched by the New York State Department of Health in 2014. The program stipulates that payments to doctors are linked to longer-term health outcomes for patients. The better the patients are doing, the higher the compensation for providers. Called Value-Based Care, the formula incentivizes providers to do their utmost in caring for their patients.

SOMOS enables its doctors to provide the best possible care. A cadre of Community Health Workers are providers' eyes and ears in the community. They visit patients' homes, reminding patients of their medical regimen and assessing the family's social circumstances. The latter are referred to as Social Determinants of Health or Health- Related Needs, involving, among others, such factors as housing, nutrition, and transportation.

Social factors affect physical and mental health and need addressing as such, something that is only just beginning to be done in the US healthcare universe. It is decidedly not part of the traditional Medicaid approach. SOMOS doctors, by contrast, know their patients intimately, which puts them in a position to provide comprehensive care, which includes engaging Community-Based Organizations. The patient feels known and really trusts the doctor, who plays the role of the family doctor of the old, a trusted community leader. SOMOS doctors are supremely motivated!

Quality Medicaid care makes for significant taxpayer savings, which should please Mr. Blase! SOMOS saved New York State taxpayers \$330M by reducing by 25 percent both unnecessary visits to the emergency room and hospitalizations. This was possible thanks to timely interventions and, for example, not letting conditions like diabetes and hypertension get out of hand.

SOMOS has demonstrated that significant Medicaid reform is possible. A program in which superior care and cost savings go hand in hand paves the way for a responsible expansion of Medicaid.



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Mario J. Paredes is CEO of SOMOS Community Care, a network of more than 2,500 independent physicians—most of them primary care providers—serving more than a million of New York City’s most vulnerable Medicaid patients.