



## **MEDIA ADVISORY**

**For Immediate Release**

**November 9, 2011**

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### **NAMD Calls for Pathway to Innovation in Medicaid**

Washington, DC – A report released today by the National Association of Medicaid Directors (NAMD) calls for an improved, more nimble Medicaid program better designed to address the many challenges that lie ahead for states in managing a sustainable Medicaid program. The report outlines three critical areas where change is needed to create a climate that fosters and supports innovation. NAMD seeks a dialogue with federal partners around these objectives:

- Focus on improved health care outcomes over bureaucratic process measures.
- Streamline business practices to ensure state flexibility and spur greater innovation in the program.
- Support a system for rapid dissemination of best practices so that all states can benefit from identified advancements.

Many of Medicaid's challenges are a result of failures in the broader US health care system, not intrinsic to Medicaid itself. These problems include inefficiencies, duplication of services and uncoordinated plans of care. These problems will be further compounded by the expansion of the program in 2014 if Medicaid's current policy and business practices remain unchanged. Changing the culture of the program is the only way that Medicaid can be assured of achieving the following goals:

- Improved health care outcomes for beneficiaries;
- Safety net services that are delivered at the appropriate time in the appropriate setting;
- A fiscally sustainable program for both states and the federal government;
- A program that is a leader and driver in improving the health care system.

NAMD has identified many of the barriers that stand in the way of these shared, common sense goals. The current nature of the federal–state relationship means that innovations may take years to garner the needed permissions, and even then program structures are insufficiently flexible to meet the changing nature of the health care system.



“Much of the potential gain from states serving as the laboratories of experimentation has been lost. The transaction costs of innovation in Medicaid have simply been too high and the dissemination of best practices and successful innovations has been too slow,” said Andy Allison, Kansas Medicaid Director and President of NAMD, “Addressing these challenges will entail new roles for states, the federal government and program stakeholders.”

NAMD offers a number of ideas for creating a climate for innovation. One key concept is the retooling of the existing demonstration waiver process. Too often, program improvements are implemented in small pilots, but rarely translated statewide. NAMD offers the idea for an “HOV” program (Healthy people, Outcomes, and Values), which is an innovations highway for the testing of new ideas, and the ability to rapidly make effective practices the standard of care for all recipients.

“Transformation is an evolving process. Medicaid can and should be part of this process to achieve better quality at a lower cost,” said Darin Gordon, Tennessee Medicaid Director and Vice President of NAMD. “The nation’s Medicaid directors seek ways to continue to reach for these and other important goals outlined in NAMD’s paper.”

Allison said the tools and modernization paper could serve as a launch pad for modernizing a broad range of aspects of the Medicaid program and NAMD will be working to highlight those in the future.

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*The National Association for Medicaid Directors (NAMD) is a bipartisan, professional, nonprofit organization of representatives of state Medicaid agencies (including the District of Columbia and the territories). NAMD provides a focused, coordinated voice for the Medicaid program in national policy discussion and to effectively meet the needs of its member states now and in the future. A copy of the paper – “A Climate for Innovation” – is available on NAMD’s web site: [www.medicaiddirectors.org](http://www.medicaiddirectors.org)*