



The Partnership for Michigan's Health

10 CONCEPTS FOR MEDICAID REFORM

Michigan's rapidly deteriorating health care situation has prompted a coalition of health care organizations — collectively known as the Partnership for Michigan's Health — to seek a solution. The Michigan State Medical Society, the Michigan Health & Hospital Association and the Michigan Osteopathic Association are proposing 10 concepts to restructure the state's failing Medicaid program. Brief summaries of the "10 Concepts" follow.

1. Medicare Parity – Medicaid payment rates should be raised at least to the level of Medicare payments over the next 10 years.
2. Organized Systems of Care – The state should enter into contracts with a range of "care systems."
3. Recognition of Regional Differences – The state must seek to support care systems that will better conform to the needs of Michigan's diverse communities.
4. Diversity in Structure of Health Care Systems – The state should consider other models of care systems besides HMOs.
5. Standardization of Payment Rates – The state must return to a system of standard published payment rates. **(Completed)**
6. Single Administrative System – The state should implement a single, consolidated system to perform administrative tasks such as enrollment, payment of claims and other related functions.
7. Care Systems with Provider Sponsorship – The state should devise incentives for provider organizations to develop and operate care systems, particularly in places where the existing system is not working.
8. Financial Regulation of Care Systems – The state must make Medicaid payment rates meet the same tests for actuarial soundness and prompt payment as the commercial sector. **(Completed)**
9. Support of Safety Net Providers – The state must establish a new program of special Medicaid financing to support physicians and hospitals in areas that rely heavily on Medicaid.
10. Health Care Coverage for All Michigan Residents – The state should commit to developing local programs to provide access to basic services for every low-income resident by 2010.