**Essentials for a Successful Medicaid Reform Plan:**

**Physician-led entities**
Physicians must play a vital leadership role in the move to value-based health care delivery models.  This extends beyond direct patient care management into the administrative management of any entities that would be designated by the state to manage Medicaid patients. This leadership role is critical to ensure that clinical decision-making drives any cost savings efforts, whether by PLEs or corporate managed-care organizations. Keeping the patient’s needs as the focus of care redesign will be critical to the success of any state Medicaid reform effort. To that end, the Medical Society believes that physicians should form the majority of the governing board that leads any PLE or MCO.

**Patient-Centered Medical Homes**
North Carolina has been a national leader in developing and benefiting from a robust patient-centered medical home model.  The NCMS believes that this model supports value-based systems of health care delivery.

**Triple Aim** (higher quality at a lower cost, with a focus on patient satisfaction)
Maintaining and improving quality is absolutely essential if we hope to continue to reduce per-member, per-month costs in Medicaid.  Any Medicaid reform efforts must keep the patient at the center of reform. When clinical decision-making and what is best for the patient drives reform, quality improves while costs decline. Simply striving to achieve cost savings without regard for quality and patient needs would lead to the rationing of care and administrative hassles for physicians. We must not repeat the mistakes of the past by focusing solely on cost-reduction. Focusing on the Triple Aim – higher quality, lower costs and increased customer service – will ensure that the patient’s needs are at the center of any reform model.

**Data Transparency**
For any Medicaid reform model to succeed, a robust exchange of real-time clinical and claims data must be established to identify areas for improvement, as well as where to target limited resources. To achieve this goal, the NCMS supports the development of a Health Information Exchange (HIE) that is operated by the state and treated as a public utility.  This provides a single source for everyone to draw data for comparison, quality improvement, and data analytics, which are essential for reforming our health care system and achieving cost savings.

**Patient and Provider Protections**
Patients and physicians need protections in the law that are necessary to ensure the provision of timely, high-quality health care services. This includes:
-Ensuring adequate provider networks to allow for robust patient choices of health care providers and access to all specialty care as well as primary care.
-Rate floors to provide adequate payment for services so physicians are able to care for patients in a financially stable environment.
-Prompt payment requirements to ensure timely payment of claims.

**Transition Period**
The time between passage of reform and the institution of any plan approved by the Centers for Medicare & Medicaid Services (CMS) could be as long as four to five years.  The NCMS believes that the state must consider how to approach the transition period as carefully as it is considering the move to reform.   We need to support physician efforts to reduce costs and improve quality as we transition to new entities to manage patient care. Doing otherwise would only exacerbate the costs that have driven lawmakers’ desire for Medicaid reform in the first place, while putting patients at risk.