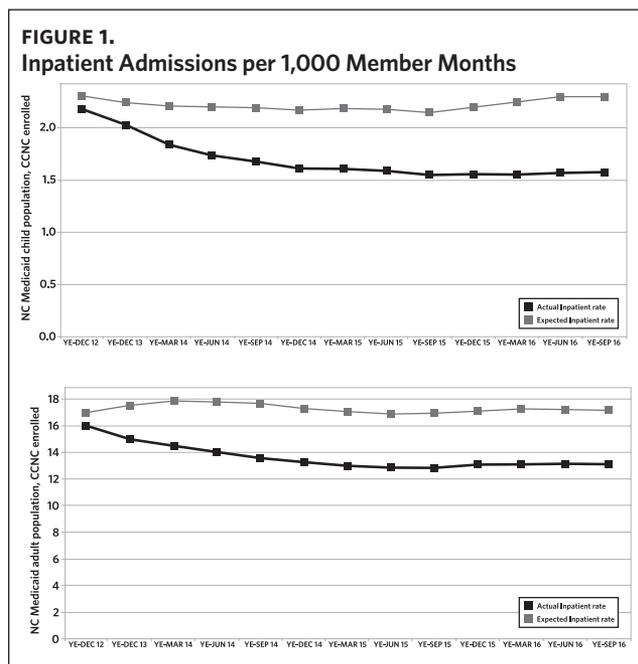


Downward Trends in Medicaid Costs: Let's Recognize What's Been Working!

C. Annette DuBard

To the Editor—In the January/February issue of the NCMJ, Suttan and Borchik provide an excellent overview of trends in Medicaid enrollment and expenditures. Figure 4 of that article reveals a steady decline in per beneficiary cost since 2009, most steeply and consistently since 2012. The authors acknowledge “increased pharmaceutical rebates, hospital claims reprocessing, and the end of enhanced physician payments through the Affordable Care Act” [1] as contributing factors, but fail to acknowledge a major driver of cost savings: North Carolina’s remarkable success in reducing hospital use by Medicaid beneficiaries.

Statewide, the 1.6 million Medicaid beneficiaries enrolled in North Carolina’s current managed care system—Community Care of North Carolina—are experiencing hospital admission rates 26% lower than in 2012, after accounting for fluctuations in the case mix of the enrolled population over time. Admission rates are 32% lower among children and 23% lower among adults (see Figure 1). This amounts to 21,595 fewer hospitalizations in 2016 than would have been expected based on 2012 rates.



North Carolina’s success in reducing hospitalizations for Medicaid beneficiaries has received national acclaim, and is a testimony to the collective contributions of 1,860 primary care practices who provide medical homes for Medicaid beneficiaries; our robust, statewide, community-based, multidisciplinary care management infrastructure; our innovative community partnerships that coordinate care services for complex patients; our hospitals who have actively engaged in real-time data sharing to improve care transitions; and our sophisticated advances in data analytic strategies to assure that services are targeted toward those patients who are most likely to benefit.

As North Carolina looks forward to new opportunities for advancing population health and value-based care under Medicaid reform, we can be proud of the success record we are building upon. While risk-bearing contracts in most states and most markets aim to slow the growth of per capita health care costs, we have already been *reducing* health care costs in North Carolina Medicaid, steadily, for years. Let’s acknowledge that! Let’s recognize that we have done this in the absence of financial incentives for corporations or providers, but rather through the contributions of countless North Carolinians who care first about quality, patient experience, and the health of our most vulnerable citizens. And let’s see what more we can do from here, together. NCMJ

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