



# The Future of Medicaid and its Perceived Impact at MUSC

Presidential Scholars 2005-6: Ashley Miller, Danielle Moore, Marcus Duvall, Walter Bennett, Jacquetta Williams, Adam Fernandez, Melissa Minger, Dr. Jerry Blackwell, Dr. Terry Steyer

## Introduction:

Medicaid provides health insurance for 1/4 of South Carolina's population and covers half of all births and three-fourths of all nursing home beds in South Carolina. However, SC Medicaid expenditures rank 24<sup>th</sup> in the nation, while the state's health status is ranked 46<sup>th</sup> by United Health Group. Although, there has been an increase in Medicaid expenditures per recipient in the last few years, it has been unable to improve this dismal health status ranking.

South Carolina has recently requested federal permission to radically change the state Medicaid program by adopting a waiver system. Under this system, eligible participants will receive a personal health account, in which, they may apply it towards a private insurance policy (i.e. MCO, PPO), a medical home network, or simply use the account as needed for health care. This system is designed to increase recipient responsibility and patient management, thus improving care while decreasing unnecessary expenditures. However, some obstacles still stand between this proposal and its success.

## Methods:

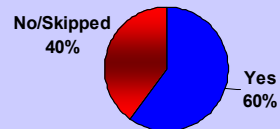
- Performed a literature review of current Medicaid legislation specific to SC.
- Assessed the potential impact of the Medicaid Waiver on the MUSC community through key informant interviews.
- Created survey to challenge MUSC faculty members knowledge of the SC Medicaid Waiver and its impact on their current practice.
- Attained MUSC IRB approval.
- Administered pilot study to Presidential Scholars and faculty.
- Distributed survey to all MUSC faculty over a two week period via email

## Results:

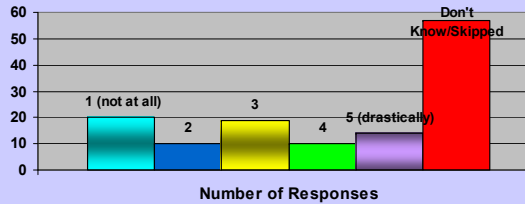
1300 MUSC faculty members (full-time and adjunct) were distributed the survey. 130 completed the survey for a ratio of 10 %. Demographics were 48% male, 48% female, 4% unknown; 86% Caucasian, 4% AA, 4% Hispanic, 0% Asian/Pacific Islander, 6% Other/skipped. The distribution among the colleges was 58% Medicine, 12% Nursing, 11% Health Professions, 5% Dentistry, 5 % Pharmacy, 4% Graduate Studies, 4% Library Sciences, 1% Other/skipped.

40% of those surveyed were not aware of the current Medicaid Waiver proposal. 41% of faculty noted it will affect their practice. Of those, 11% said it would affect them drastically. 44% of faculty did not know what affect the Medicaid waiver would have on their practice.

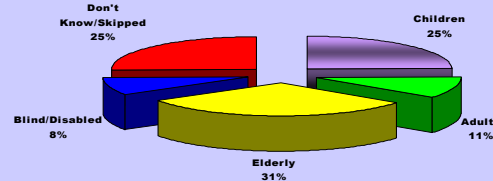
### Awareness of Medicaid plan



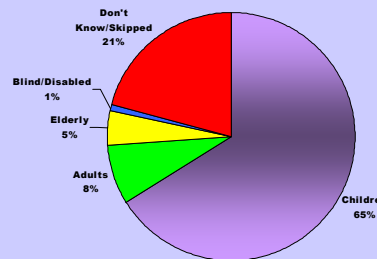
### On a scale of 1 to 5, how much will the new Medicaid plan affect your practice?



### Survey Response: Medicaid expenditures by group



### Survey Response: SC Medicaid Enrollment Groups



## Discussion:

In sum, the SC Medicaid waiver is not without its faults. First, the medical home networks proposed to improve patient management do not exist. Only two Medicaid managed care plans exist in SC and account for only 8.4% of participants and cover only 28 of 46 counties. Since the success of the waiver plan depends largely on managing care to improve health status while streamlining costs, the proposal is not feasible without expanding the existing managed care network availability and enrollment.

Second, the basis of the waiver proposal is designed to promote consumer-driven health care for Medicaid recipients through the use of personal health accounts. The funding for the private accounts would be based on the average cost of health care for each individual. Therefore, this money would be inadequate for all with above average health care needs, rendering the sickest people unable to pay for their medical care.

Finally, health care providers must be made aware of the new system so they can better advise participants. Our survey of the Medical University of South Carolina faculty, those in position to educate future health care providers as well as treat Medicaid participants, revealed that over a third are not aware of the proposed waiver system and nearly half do not know the major components of the waiver. If the providers are not aware of or educated on the specifics of the plan, how can Medicaid participants be expected to make educated decisions on how to manage their cost care

Overall, the proposed waiver represents a noble effort to institute the radical changes necessary to improve health care in South Carolina without increasing expenditures. However, the waiver will remain unfeasible in its current form because it does not address the problems of managed care network availability/ participation and provider education.

### Challenges:

- Need for adequate representation of MUSC faculty (e.g. small number of respondents, little diversity among colleges etc)
- Indirect method of data collection, thus limited discussion
- Limited opportunities in the MUSC community to promote awareness of health policy
- Revision of waiver mid-survey at state level into Federal S1932 (Budget Reconciliation Act)

### Successes:

- Surveyed: At least 60% of our respondents in our survey were informed about the waiver.
- Reported results to survey respondents
- Arranged for Presidential Scholars discussion with Mr. Robbie Kerr, current head of SC DHHS Medicaid, about the current proposal and its impact.
- Educated Presidential Scholars members to increase awareness concerning the Medicaid waiver in SC
- Published an article in MUSC's *The Catalyst*.

## Recommendations for change/future study:

- Education of the public
- Raise awareness among providers
- Evaluate changes in legislation and determine how it affects patient outcomes
- Evaluate long term implications of Medicaid changes in SC on recipients