

United States Senate

SPECIAL COMMITTEE ON AGING

WASHINGTON, DC 20510-6400

(202) 224-5364

May 15, 2019

The Honorable Alex M. Azar II
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Azar:

The use of Medicaid managed care companies continues to increase. In some instances, managed care has served Americans well. In others, the Medicaid managed care system has failed to live up to the promise of providing health care coverage and services to those who need it. As the Department with responsibility for overseeing Medicaid programs in every state, we implore the Department of Health and Human Services (HHS) to ensure that federal Medicaid dollars are being spent to provide Americans health care, not to boost the bottom line of private companies and line the pockets of their shareholders.

Medicaid is a bedrock program – providing over 70 million Americans, including children, older adults, and people with disabilities, affordable health care. Over the past several years, states have increasingly turned to managed care companies to provide care to Medicaid beneficiaries. More than half of all Medicaid beneficiaries, including adults and children with complex health care needs, are now enrolled in managed care.¹ The majority of states now entrust Medicaid managed care companies with the responsibility to provide this vital coverage. Recent report shows that in federal fiscal year 2018 Medicaid managed care spending represented over half of total Medicaid spending.²

Yet, there are reports from across the country of Medicaid managed care companies routinely denying services to people enrolled in Medicaid.³ In some of the most troubling cases—like that

¹ Kaiser Family Foundation, “Medicaid Managed Care Tracker,” <https://www.kff.org/data-collection/medicaid-managed-care-market-tracker/>.

² Health Management Associates, “Medicaid Managed Care Spending 2018,” HMA Weekly Roundup, April 17, 2019, https://www.healthmanagement.com/wp-content/uploads/041719-HMA-Roundup.pdf?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top.

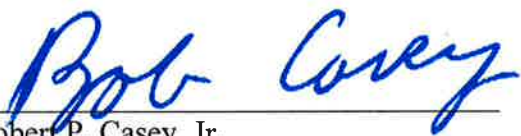
³ Dallas Morning News, *Pain & Profit: Investigating Medicaid Managed Care in Texas* (June 2018) (<https://www.dallasnews.com/news/medicaid-managed-care/collection/pain-profit-investigating-medicaid-managed-care-texas>); Des Moines Register, *Care Denied: How Iowa’s Medicaid maze is trapping sick and elderly patients in endless appeals* (2018) (<http://features.desmoinesregister.com/news/medicaid-denials/>); Kaiser Health News,

of D'ashon Morris, a toddler who was denied one on one nursing care, and who as a result of that denial is currently in a vegetative state—patients have experienced entirely preventable life-altering harms.⁴ While we are pleased that the HHS Inspector General plans to investigate these abusive practices, it will be a year or more until its inquiry is complete and its findings released. During this time, thousands of children, people with disabilities and older adults are at risk of being denied medically necessary care.

We urge HHS to bring greater transparency and accountability to Medicaid managed care company performance. Specifically, to help ensure that states are meeting their obligations to Americans enrolled in Medicaid, we urge you to ensure that every state is in compliance with the regulatory requirements found in 42 CFR Part 438. This regulation requires that states regularly audit managed care companies and have adequate provider networks and quality rating systems, among other key consumer protections. In addition, we urge you to publicly post on the Medicaid agency website specific managed care company performance data by state including: enrollment data broken down by specific population such as children, people with disabilities, and seniors, total payments received from Medicaid, quality metrics, enrollee experience surveys and compliance with the Medicaid pediatric benefit and protections. These actions are necessary steps to safeguarding the health and well-being of the millions of people receiving Medicaid coverage through managed care companies. Finally, we request that you provide a staff level briefing regarding the steps that HHS is taking to ensure compliance with existing regulations and implement these program improvements.

Medicaid is emblematic of who we are as a nation, reflecting whom we value and the ideals we are willing to fight for. We must ensure Medicaid managed care companies live up to these ideals and meet the health care needs of every individual and family enrolled in Medicaid. We urge you to take swift action to improve care delivery for people on Medicaid.

Sincerely,


Robert P. Casey, Jr.
Ranking Member
U.S. Senate Special Committee on Aging


Richard Blumenthal
United States Senator


Kirsten Gillibrand
United States Senator


Elizabeth Warren
United States Senator

Coverage Denied: Medicaid Patients Suffer As Layers Of Private Companies Profit (Jan. 2019)
(<https://khn.org/news/coverage-denied-medicaid-patients-suffer-as-layers-of-private-companies-profit/>).

⁴ Dallas Morning News, *Pain & Profit: Investigating Medicaid Managed Care in Texas* (June 2018)
(<https://www.dallasnews.com/news/medicaid-managed-care/collection/pain-profit-investigating-medicaid-managed-care-texas>).



Doug Jones
United States Senator



Jacky Rosen
United States Senator