

Investing in People to Build State Medicaid Capacity

IN BRIEF

Medicaid directors across the country are exploring ways to build staff capacity to meet the program's increasing complexities and demands since the passage of the Affordable Care Act. In California, the Department of Health Care Services (DHCS) is offering a unique professional development program for its mid-level managers, in partnership with Leading Resources Inc. and the Center for Health Care Strategies. The *DHCS Academy* is designed to enhance participants' knowledge of Medicaid and their ability to make inter-agency connections and more effectively administer Medi-Cal in an increasingly complex environment. This profile examines the training program's evolution and offers lessons for other states.

By Susan Shin and Mark Larson, Center for Health Care Strategies

The Affordable Care Act (ACA) is perhaps the biggest “game-changer” for Medicaid since its creation in 1965. Through the ACA's expansion of state Medicaid programs, 15 million Americans have gained health coverage. In addition, the legislation provides new opportunities for innovations designed to serve beneficiaries more effectively and efficiently. As states take advantage of those opportunities, Medicaid leaders have seen the need to build their staff capacity to meet the increasing complexities and demands these opportunities present. A recent Medicaid and CHIP Payment and Access Commission (MACPAC) report stated that building innovative Medicaid policy requires knowledgeable staff at the ready with expertise, best practices, high-performing data analytics, and clearly defined strategic goals.¹ Yet few, if any, states invest in building Medicaid administrative capacity on the scale of their commercial insurance counterparts.²

With support from the California Health Care Foundation, Blue Shield of California Foundation, and The SCAN Foundation, the California Department of Health Care Services (DHCS) partnered with Leading Resources, Inc. (LRI) and the Center for Health Care Strategies (CHCS) to establish a unique professional development opportunity for managers within the agency. As DHCS staff design and implement new initiatives as well as manage the ever-changing environment of Medi-Cal, having a comprehensive understanding of Medicaid and the intricate inter-relationships among Medi-Cal divisions is increasingly important. The *DHCS Academy* provides participating managers with a broad perspective of Medicaid in California and nationally, a deeper understanding of Medicaid innovations and stronger connections across DHCS divisions. This profile examines the rationale behind the *DHCS Academy* and outlines takeaways to date that could help inform capacity-building efforts in other states. It also looks at a similar effort in New Jersey that is providing training for state and county managers across agencies that administer Medicaid.

The Medicaid Landscape

Medicaid is one of the largest public programs in the United States. Even before the passage of the ACA in 2010, Medicaid was among the top three highest budget items for approximately 40 states. With 32 states, including Washington DC, expanding Medicaid, more state resources are being dedicated to serving its rapidly growing beneficiary population. In 2015, Medicaid enrollment reached roughly 72 million, a 30 percent increase since 2010.³

With the many opportunities the ACA has provided through Medicaid, states and specifically Medicaid administrators have become increasingly important players in national and local conversations around improvements to the US health care system. Former Arkansas Medicaid director Andy Allison observes that Medicaid leaders can “function within a web of authority and influence”⁴ by managing the delicate balance between federal and state governmental roles, engaging and consulting external stakeholders on payment and delivery reformations, and facilitating interagency discussions around the coordination of Medicaid and social services.

To achieve better outcomes and lower cost growth, Medicaid programs are seeking new relationships with partners within state government such as public health, corrections and social service agencies as well as with other health care payers. In states such as California and New Jersey where county agencies play an extensive role in the enrollment and eligibility activities of Medicaid, state Medicaid leaders are navigating relationships with county officials as well. In this Medicaid world of more integration, more stakeholder engagement, and more visibility, effective management and leadership in Medicaid are crucial.

I would wholeheartedly recommend the DHCS Leadership Academy to other colleagues. [The Academy] enhanced my understanding of the significant changes occurring in Medicaid and within the broader public health system.
- DHCS Academy Student

Innovation in California

California is a leading state in Medicaid innovation. In addition to the expansion of Medi-Cal, the state’s Medicaid program, to the population up to 138 percent of the federal poverty level, California is exploring ways to include more low-income individuals, such as the immigrant population.

Under Medi-Cal 2020, California’s recently approved 1115 waiver renewal, DHCS is continuing multiple delivery system reforms to enhance care coordination, drive quality through financing mechanisms, and improve the patient experience. DHCS’ four major waiver initiatives include: (1) changing incentives for public hospitals through risk-based APMs to enhance access to coverage; (2) incorporating a social determinants of health focus through Whole Person Care pilots that will integrate physical health, behavioral health, and social services for high-utilizing Medi-Cal beneficiaries; (3) establishing a global payment program that compensates public health for care to the remaining uninsured; and (4) developing a dental incentives program.⁵

Expansive and innovative programs require talented leadership to oversee efficient implementation. In FY2014, California’s Medicaid expenditures were about \$64 billion⁶ with about 11 million enrollees.⁷ The state anticipates more than 13 million individuals, roughly a third of Californians, will be covered under Medi-Cal in FY2016 with spending at about \$85 billion.⁸

The Academy contextualized various aspects of my job and helped me to identify areas of opportunity. Additionally, I was able to learn how my job functions can be enhanced by reaching out to additional resources throughout the department.
- DHCS Academy Student

A Timely Innovation: The DHCS Academy

In order to meet its mission of serving California residents in a rapidly changing world, DHCS leadership recognized the importance of investing in its main resource: staff. In close collaboration with LRI and CHCS, DHCS implemented a nine-month training program to help its mid-level managers effectively administer Medi-Cal in an increasingly complex environment. The Academy prepares them for this task by:

1. Exposing participants to prominent developments in Medicaid nationally;
2. Helping them to understand Medi-Cal initiatives and DHCS priorities; and
3. Creating a human bridge across government siloes through a shared classroom setting.

DHCS Academy's curriculum provides a foundation on Medicaid's key components, including but not limited to: eligibility and enrollment; benefit design; care delivery systems; and financing. Academy faculty provide national overviews using up-to-date federal guidance and state examples as resources.

Academy content is tailored to align with DHCS' priorities. California experts are regularly invited as guest speakers to ensure that participants are informed of how programmatic changes are being conceived, delivered, and evaluated locally. Guests have included senior-level representatives from DHCS; health plans; providers; and consumer organizations. Academy alumni have also made guest appearances as subject matter experts, which gives them and current participants an opportunity to build internal DHCS leadership and network.

Academy participants are required to complete a leadership project on a topic of their choosing, but outside their daily scope of work. Through these projects, the Academy aims to enhance participants' abilities in developing and presenting policy recommendations to supervisors. By June, 103 DHCS managers will have graduated from the program since its inception. The DHCS Academy launched its sixth cohort of 35 managers in April 2016 and will continue to direct two more cohorts through 2017.

The Impact of the DHCS Academy

Based on participant evaluations, more than 80 percent of participants who responded have found the Academy effective for their work; about 95 percent thought it had a positive impact on future roles within DHCS; and more than 95 percent would recommend the Academy to their colleagues. Similarly, the majority of participants' supervisors noted they saw positive change in their employees and would recommend the Academy experience to others.

Throughout the evaluations, participants identified the following as the most valuable benefits of the Academy:

1. Becoming aware of the bigger Medicaid picture;
2. Understanding the inner-workings and complexities of Medi-Cal; and
3. Making cross-department connections.



The Leadership Academy was really helpful especially for someone, like me, coming from another Department totally different than Medicaid. I learned a lot and I appreciated the information shared from other states. This Academy was really helpful to understand the overall mission of DHCS.

- DHCS Academy Student



1. Becoming aware of the bigger Medicaid picture

Participants were often well versed in the subject areas they dealt with daily, but had difficulty comprehending Medi-Cal as a whole. By acquiring an overarching view of Medicaid and its broad vision and goals, participants found the Academy gave them insight into the many moving pieces involved in Medi-Cal, the interconnections across these various pieces, and the ability to situate their roles in the grand scheme of the Medicaid program.

2. Understanding the inner-workings and complexities of Medi-Cal

Participants found it extremely valuable to understand how Medi-Cal interacted with broader divisions within DHCS. For some participants, the Academy was their first exposure to certain DHCS divisions. One participant said, “The most valuable part of the Academy for me was hearing about all the different divisions and how these divisions relate to each other. The ability to have a network of people to reach out to within the Department will be very useful in the future.”

3. Making cross-department connections

Prior to the Academy, many participants noted they had little to no interaction with other division staff. By selecting managers from multiple DHCS divisions to participate in each cohort, participants have opportunities for open dialogue among colleagues and to establish relationships within and across divisions. As California implements more integrated projects, the ability to identify appropriate state partners and share resources is beneficial.

Fostering Ongoing Innovation: New Jersey Medicaid Academy

“Each session was packed with learning that transformed minds and encouraged innovative thinking through group discussions, role playing, and culminated with research projects that provided the opportunity to collaborate with colleagues.”
- New Jersey Medicaid Academy Student

On the East Coast, the *New Jersey Medicaid Academy* offers a unique professional development opportunity for state and county managers across state agencies that administer Medicaid. Modeled after the *DHCS Academy* and led by CHCS, the New Jersey-based program, made possible by The Nicholson Foundation, graduated its first class in May 2016, with the next class to begin this summer.

Valerie Harr, former New Jersey Medicaid director and current deputy commissioner at the Department of Human Services, spearheaded the creation of the *New Jersey Medicaid Academy* to match staff capacity with the state’s ambitious health reform plans. The seven-month professional development and leadership program supports state leaders in meeting the increasingly challenging task of administering the NJ FamilyCare program and better serving New Jersey residents.

The training provides participants with an opportunity to: (1) refresh the basics of Medicaid and learn about emerging national Medicaid trends; (2) develop an understanding of innovative Medicaid program design, including approaches undertaken by other states; (3) provide a forum for cross-agency discussion about issues relevant to Medicaid; and (4) build critical management and leadership skills.

Real-World Application Focusing on Salient Issues

To help take the *New Jersey Medicaid Academy* training to the “real-world,” The Nicholson Foundation is supporting an opportunity for graduates to apply lessons within collaborative projects. From May-September 2016, three competitively selected cross-agency teams are receiving technical assistance and support to develop a project in a key designated area. Areas of focus for the selected teams are: (1) behavioral health home for recently released jail-involved individuals; (2) value-based purchasing strategy blueprint for the Division of Medical Assistance and Health Services; and (3) health information exchange, data and care coordination strategies for high-need, high-cost Medicaid beneficiaries.

Participants will be responsible for engaging with appropriate stakeholders, producing materials, and meeting project benchmarks culminating in a presentation to agency leadership. This provides a unique vehicle for graduates to immediately apply knowledge from the Academy and nurture newfound cross-agency relationships.



Advancing Opportunities to Build Medicaid Capacity

Across the country, states are pursuing increasingly complex program innovations that require existing staff to have a broader field of vision and new ways of thinking. California's experience in bolstering the capacity of its mid-level DHCS managers can help inform similar professional development efforts in other states, akin to New Jersey's new training program for managers across agencies that administer Medicaid.⁹ As more states invest in building Medicaid capacity, the lessons in this profile can inform their efforts.

ABOUT THE DHCS ACADEMY

The DHCS Academy, a comprehensive training program for California Department of Health Care Services managers and supervisors, is administered by Leading Resources Inc., in collaboration with expert faculty from the Center for Health Care Strategies.

ABOUT THE CENTER FOR HEALTH CARE STRATEGIES

The Center for Health Care Strategies is a nonprofit policy center dedicated to improving the health of low-income Americans. It works with state and federal agencies, health plans, providers, and consumer groups to develop innovative programs that better serve people with complex and high-cost health care needs. For more information, visit www.chcs.org.

ENDNOTES

¹ Medicaid and CHIP Payment and Access Commission (MACPAC). June 2014 Report to the Congress on Medicaid and CHIP Chapter 4, *Building Capacity to Administer Medicaid and CHIP*. June 2014. Available at: <https://www.macpac.gov/publication/ch-4-building-capacity-to-administer-medicaid-and-chip/>.

² A. Allison. *The Role of State Medicaid Directors: A Leadership Imperative*. Milbank Memorial Fund, September 2015. Available at: <http://www.milbank.org/publications/milbank-reports/404-the-role-of-state-medicaid-directors-a-leadership-imperative>.

³ Kaiser Family Foundation. (2016). Total Monthly Medicaid and CHIP Enrollment. Available at: <http://kff.org/health-reform/state-indicator/total-monthly-medicaid-and-chip-enrollment/>.

⁴ A. Allison, op cit.

⁵ California Department of Health Care Services. *Medi-Cal 2020 Waiver*. Available at: <http://www.dhcs.ca.gov/provgovpart/Pages/medi-cal-2020-waiver.aspx>.

⁶ Kaiser Family Foundation. (2016). *Total Medicaid Spending*. Available at: <http://kff.org/medicaid/state-indicator/total-medicaid-spending/>.

⁷ Kaiser Family Foundation. (2016). *Total Monthly Medicaid and CHIP Enrollment*. Available at: <http://kff.org/health-reform/state-indicator/total-monthly-medicaid-and-chip-enrollment/>.

⁸ California Governor's Budget Summary, 2016-2017.

⁹ For more information about the New Jersey Medicaid Academy, visit <http://www.chcs.org/project/new-jersey-medicaid-academy/>.