Navigating the Medicaid Market: Key Themes Riding the Next Wave of Growth

March 2023: Complimentary Abstract / Table of Contents

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Introduction
An introduction to the major themes explored in this market report

The healthcare industry is undergoing many challenges, especially post COVID-19. During trying times such as the global pandemic, the most vulnerable and low-income populations are at a greater risk and have higher health needs. Medicaid, by definition, is a jointly funded health insurance coverage of the federal and state governments, and is the primary payer for low-income individuals, senior citizens, people with disabilities, children, and pregnant women.

Enrollment in Medicaid has grown significantly over the years, driven by multiple factors such as the ACA expansion, increase in eligible beneficiaries due to an increase in unemployment triggered by the pandemic, and the continuous coverage mandate by the CMS under the Public Health Emergency (PHE). This has in turn led to greater interest by stakeholders such as health plans, government authorities, investors, and service providers, to reshape the program in a way that it improves the health outcomes of the target population. Consequently, there is an increased focus on improving the efficiency of the Medicaid delivery through contracting with managed care organizations, using technologies such as automation and predictive analytics, and leveraging data-driven insights to ultimately impact health equity in the country positively.

This provides opportunities for service providers as states look at outsourcing not just from a cost perspective, but also to improve processes and last-mile care delivery. Through this report, we explore the major trends in the US Medicaid market along with the sourcing implications for service providers operating in this segment.

Scope of this report

Geography
North America
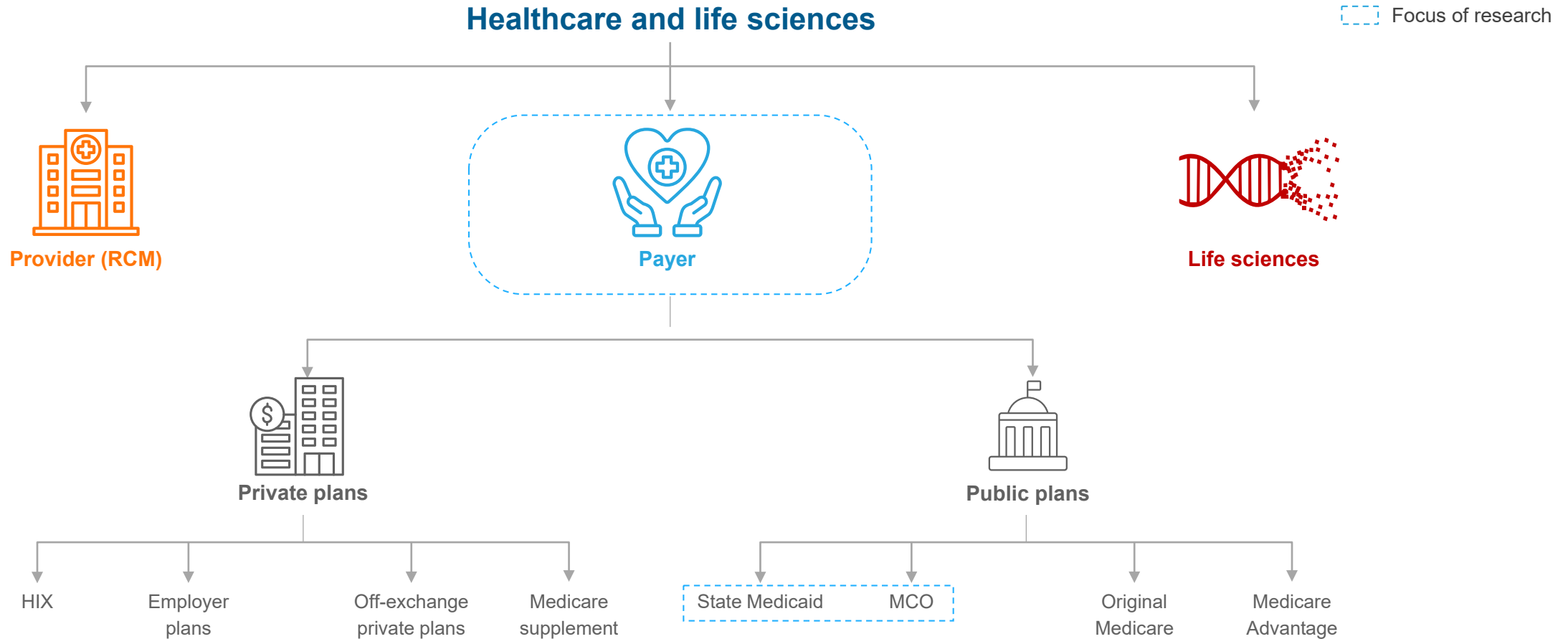
Industry
Healthcare payer

Services
Medicaid

Use cases
Only publicly available information has been used for the entire analysis in this report

Focus of the report

This report provides an insight into the State Medicaid and Medicaid Managed Care markets

Healthcare and life sciences

⌐ ┐ Focus of research
└ ┘

Provider (RCM)

Payer

Life sciences

Private plans

Public plans

HIX

Employer plans

Off-exchange private plans

Medicare supplement

State Medicaid
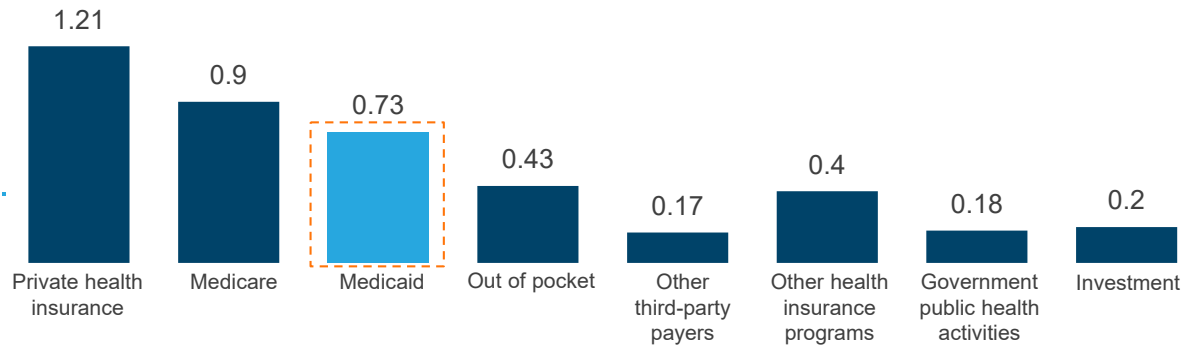
MCO

Original Medicare

Medicare Advantage

Note: Healthcare provider and Revenue Cycle Management (RCM) are interchangeable terms denoting the same industry
This segmentation is not exhaustive as it does not include healthcare plans such as Tricare, FEHBP, and Veterans Health Administration

This study offers three distinct chapters, a deep dive into the key trends and their sourcing implications, changes in the technology ecosystem followed by outsourcing characteristics of the Medicaid operations market; below are four charts to illustrate the depth of the report

US National Health Expenditure by type, 2021

100% = US$4.2 trillion

Type	Value
Private health insurance	1.21
Medicare	0.9
Medicaid	0.73
Out of pocket	0.43
Other third-party payers	0.17
Other health insurance programs	0.4
Government public health activities	0.18
Investment	0.2

Implications of Medicaid redetermination

Enterprise implications

- Work in collaboration with stakeholders such as healthcare providers, state agencies, and community organizations **to update beneficiary information**
- Communicate to and encourage Medicaid beneficiaries to **complete renewal** or reapply for Medicaid, or alternatively, **enroll in another appropriate health plan** in case they no longer meet eligibility requirements
- **Reeducate healthcare providers and care managers** on the need to engage with patients for the redetermination process
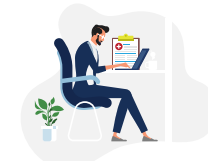
Sourcing implications

- Use of **omnichannel communication** (social media, outbound IVR, live calls, and messaging), coupled with population-related data insights to reach the right member at the right time through the right channel
- Setting up **self-service technologies** such as customer-facing portals and AI chatbots
- Establishing an **integrated data hub** – adding alerts to core administration platforms to notify customer service representatives, healthcare providers, etc. to remind the member about redetermination, printing redetermination date on pharmacy bills, etc.
- **Leveraging AI/ML** to classify, extract, verify and enrich data from different document types with high accuracy, for performing **eligibility and enrolment functions**

Key changes in technology/partnership ecosystem

Modular MMIS
CMS moved to introduce modularity in the Medicaid Management Information Systems (MMIS) helped to break the siloed, legacy systems into multiple modules, making it technologically and operationally effective.

Use of smart devices
Most Medicaid beneficiaries will eventually have access to smartphones, which makes it a vital source of patient data and can be used for appropriate and timely interventions by the state to enhance care access and delivery.

Remote Patient Monitoring (RPM)
The pandemic led to the increased adoption of home-based & virtual care services for acute and chronic diseases. This is where RPM acted as a key enabler for monitoring vitals, irrespective of time and location, for long-term care.

Behavioral health start-ups
Medicaid is the largest payer in the US for public mental health services. Companies in this segment provide tech-enabled solutions to address a wide range of disorders, including substance abuse, mental illnesses, etc.

Medicaid BPS market growth by plan type

Healthcare Medicaid BPS market: growth by plan type - State Medicaid
2019-21; percentage of the overall market

4-6%

Year	Value
2019	2.2-2.7
2020	2.4-2.9
2021	2.5-3.0
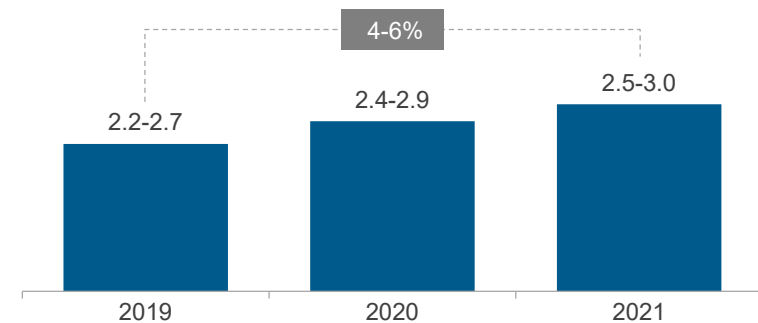
Research calendar
Healthcare Business Process

Reports title	Release date
Healthcare Payer Operations PEAK Matrix® Assessment 2022	February 2022
Healthcare Payer Operations – Service Provider Compendium 2022	April 2022
The State of Healthcare Payers in the Post-pandemic World: Healthcare Payer Operations State of the Market Report	April 2022
Reinvigorated Consolidation in the Revenue Cycle Management (RCM) Sourcing Industry – A US$30 Billion Opportunity	June 2022
Revenue Cycle Management (RCM) Operations PEAK Matrix® Assessment 2022	June 2022
Revenue Cycle Management (RCM) Operations – Service Provider Compendium 2022	September 2022
Medical Coding Operations PEAK Matrix® Assessment 2023	October 2022
Healthcare Customer Experience Management in North America – PEAK Matrix® Assessment 2023	November 2022
Healthcare Customer Experience Management in North America – Service Provider Compendium 2023	January 2023
Medical Coding Operations – Provider Compendium 2023	January 2023
The Next Big Healthcare Opportunity: Pharmacy Benefits Management (PBM)	February 2023
Navigating the Medicaid Market: Key Themes Riding the Next Wave of Growth	**March 2023**
Metaverse in Healthcare	Q1 2023
Trailblazers in Revenue Cycle Management (RCM)	Q1 2023
Revenue Cycle Management (RCM) Operations PEAK Matrix® Assessment 2023	Q2 2023
Revenue Cycle Management (RCM) Operations – Service Provider Compendium 2023	Q3 2023

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