



Medicaid Managed Care Organizations: Market Landscape and Strategic Imperatives

As the Medicaid market landscape continues to expand in the wake of COVID-19, Medicaid managed care organizations (MCOs) focus on reducing overall costs while growing their Medicaid business. HIRC's report, *Medicaid MCOs: Market Landscape and Strategic Imperatives*, reviews the current market landscape, Medicaid executives' strategic imperatives and objectives, and examines views on market trends that could further affect the segment. The report addresses the following questions:

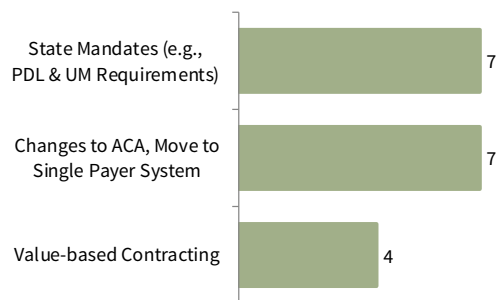
- What is the current landscape of the Medicaid MCO market and which plans currently account for the majority of market share?
- What are Medicaid MCO plan executives' most important strategic imperatives and which operational objectives are of highest priority?
- What do Medicaid panelists identify as the most notable government-related market trends in 2020? What are the lasting clinical and economic impacts of COVID-19?
- Which therapeutic areas are most often targeted for quality metric adoption?
- Which MCOs are highest in ability to limit access? Which are most willing to partner?

Key Finding: Respondents identify improving overall quality of care, moderating specialty drug spend, and increasing Medicaid member enrollment as the most important strategic imperatives in 2020.

Medicaid MCO Executives Identify State Mandates and Regulations as the Top Government Market Trend in 2020

Medicaid MCO respondents were asked to provide one government-related market trend with the highest potential to change the Medicaid MCO business in the next 1-3 years. Panelists identify state mandates, such as state PDL and UM requirements, as the top government-related market trend, followed by changes to the ACA and the potential shift to a single payer system, and value-based contracting.

MEDICAID MCOs: MARKETPLACE TRENDS IN GOVERNMENT REGULATION, 2020



(Medicaid MCO Respondent n=36)

The full report includes a complete listing of all Medicaid MCO government-related market trends in 2020.

COVID-19 Trends: Lasting Clinical Impacts

Medicaid MCO key decision-makers were asked what they believe the lasting clinical impact of the COVID-19 pandemic will be on their organization. Respondents identify the lasting impact of telemedicine as the top clinical impact of COVID-19, followed by reduced office visits and lack of routine care.

COVID-19 TRENDS: *LASTING CLINICAL IMPACT*
(n=36)

LASTING CLINICAL IMPACTS	TOTAL POINTS
Lasting Impact of Telemedicine	11
Reduced Office Visits and Lack of Routine Care	8
Lasting Medical Issued Related to COVID-19	4
Decreased Access to Care	4
Low Control of Pre-existing Conditions & Chronic Diseases	3

COVID-19 Trends: Lasting Economic Impacts

Medicaid MCO key decision-makers were asked what they believe the lasting economic impact of the COVID-19 pandemic will be on their organization. Respondents identify the loss of commercial lives and shift to Medicaid as the top economic impact, followed by increased cost due to hospitalizations, testing, drug use, and long-term care.

COVID-19 TRENDS: *LASTING ECONOMIC IMPACT*
(n=36)

LASTING ECONOMIC IMPACTS	TOTAL POINTS
Loss of Commercial Lives & Shift to Medicaid Due to Unemployment	8
Increased Cost Due to Hospitalizations, Testing, Drug Use & LT Care	7
Reduced Utilization Due to Long Term Telehealth Use	2
Delayed Care/Procedures & Non-compliance	2
Government Mandates	2
Decreased Spend Due Lack of Members Not Using Services	2

The full report includes a complete listing of Medicaid MCO perceived lasting clinical and economic impacts of the COVID-19 pandemic.

Research Methodology and Report Availability

In September 2020, HIRC surveyed 36 Medicaid MCO pharmacy and medical directors from national, regional, and BCBS plans. Online surveys and follow-up telephone interviews were used to gather information. The complete report, *Medicaid MCOs: Market Landscape and Strategic Imperatives*, is available now to HIRC's Managed Markets subscribers at www.hirc.com.

The Managed Markets Service provides strategic and tactical information, including customers' assessments of manufacturers' contracting and resources within four commercial and government market segments; market landscape trends and activity influencing the availability, price, and utilization of pharmaceuticals; managed markets headcounts and organizational trends based on confidential data from industry leading pharmaceutical companies; and the access and partnership landscape of key accounts.



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