

Sole-sourcing Update

Medical Care Advisory Committee (MCAC)
Thursday, December 19, 2019

PURPOSE

- To reduce Medicaid spending
- To increase beneficiary access
- To improve quality
- To streamline service
- To increase beneficiary satisfaction
- To address the needs of a specific population

SUGGESTIONS

Sole-sourcing should be the lowest-cost, most streamlined approach.

But the provider/distributor network must be able to meet demand smoothly when there is significant utilization. The state should review for network adequacy, particularly when life-sustaining items are involved.

Fragmentation of services and unnecessary hardship for beneficiaries may be created in the following situations:

- Different MCPs contract with different sole-source providers.
- A single MCP has multiple sole-source specialty providers.

FREEDOM OF CHOICE

Individuals should be able to opt out of dealing with sole-source providers.

Certain DMEPOS suppliers could be enrolled as "legacy" providers.

DATA TO BE COLLECTED AND METRICS TO BE MONITORED

- Baseline performance measures (established in advance)
- Opt-out ratios
- Utilization trends
- Customer satisfaction
- Provider satisfaction
- Correlated healthcare
(e.g., incontinence items / UTIs / pharmaceuticals)
- HEDIS measures
- PMPM costs

CONSIDERATIONS & RED FLAGS

- Stakeholder review w/open comment period
- Establish time limits on sole sourcing (termination clause)
- Consideration of service delivery systems (e.g., lower acuity services)
- Oversight by state agency (e.g., periodic review of utilization, complaints, costs)