

# Principles for State Health and Human Services Budgeting and Government Program Reform

1-11-2010

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## 1. Simplify and consolidate state health care programs

- Simplify eligibility requirements and benefits.
- Streamline the application process.
- Create an online application process, but provide personal assistance to those who need help applying.

## 2. Bundle related health and human services programs and budget line items.

- The HHS budget is too compartmentalized, fragmented and unwieldy.
- It is hard for people to get the services they need and hold agencies accountable.
- It is hard to coordinate all services someone needs. People need more than just the traditional health care services to be healthy, especially when they are disabled, elderly, vulnerable, or in poverty.

## 3. Establish a fixed total budget for bundled services.

- Providers and agencies should have a budget and a financial incentive to stay under it.
- Safeguards are needed so costs are not shifted to other agencies or parts of the budget.
- The budgeted amount should reflect the risk and complexity of the people served

## 4. Focus on outcomes, not process or volume.

- Success of programs should be measured by outcomes, not by volume of services
- A “dashboard” of high priority measurable outcomes standards should be used
- Outcomes measures should reflect the risk and complexity of the people served.

## 5. Promote competition.

- To encourage competition and innovation, the state should not mandate a particular model or establish overly prescriptive regulations.
- Small, independent, rural, and safety net providers should be eligible to serve people if they meet cost and outcomes requirements and can attract patients.
- Competition in rural areas is different than competition in metropolitan areas.

**6. Give the consumer more choices and control over their services.**

- Consumers should be given greater choice and control. They should be able to choose their personal primary health care professional and stay with them over time.
- Consumers should have incentives to take personal responsibility and make wise choices, but they need good information to help them decide.
- Some people will need more help making choices than others.

**7. Reduce state regulations and mandates.**

- Agencies and providers should have flexibility to innovate
- Information on cost, quality and outcomes are important, but the state should limit the number of state-mandated reports in order to control administrative costs and focus on the most important quality, cost and outcome measures.
- State licensing and contracting requirements can be a barrier to innovative and cost-effective new models and providers.

**8. Allow flexibility and local control.**

- Communities vary. Local communities should have a say in how health and human services programs are administered.
- However, a consistent statewide minimum standard for eligibility and covered services is needed.

**9. Maintain the safety net infrastructure.**

- Elderly, disabled, vulnerable, and impoverished Minnesotans need basic, cost-effective health care services
- Without these services, their health will deteriorate and lead to more serious and costly problems -- and even disabilities -- later on.
- Without safety net services, providers will have more uncompensated care and will charge insured patients more, driving up the cost of health care for everyone else.
- Maintaining the safety net means: (1) paying the costs of necessary and cost-effective services for people who cannot afford it themselves; and (2) preserving an infrastructure of providers who provide specialized services to low-income, elderly, disabled and impoverished Minnesotans.