

October 14, 2013

The Medicaid Innovation and Reform Commission
201 North 9th Street
General Assembly Building
Richmond, Virginia 23219
via vamirc@mirv.virginia.gov

Dear Chairman Hanger and Members of the Medicaid Innovation and Reform Commission:

On behalf of Anthem, thank you for your leadership during this critical time for the Commonwealth. You are contending with budget constraints in addition to the implementation of the Affordable Care Act (ACA) and reforming the Virginia Medicaid program. Though a complicated issue, we would like to express our support for Medicaid expansion as it is an important opportunity to improve the lives and health of low-income individuals in Virginia.

Our Virginia Medicaid health plan, Anthem HealthKeepers Plus, has been a trusted partner of the Commonwealth since the inception of Virginia's Medicaid managed care program. We are supportive of the Medicaid Innovation and Reform Commission's continued evaluation of state flexibility and programmatic reforms to ensure the long-term sustainability of the Virginia Medicaid program. Nearly 70 percent of the Virginia Medicaid population is enrolled in managed care; yet, it only accounts for approximately 30% of Medicaid expenditures. To address costs and continue to achieve long-range savings, Virginia must pursue transformative change in Medicaid, with the most cost savings opportunity found in the Fee-For-Service (FFS) Medicaid program currently excluded from managed care.

We commend the state for their efforts to find solutions for the dual-eligible population through the Medicare-Medicaid Dual Eligible Integration Demonstration, and it was an honor for Anthem HealthKeepers to be selected as one of three Medicare-Medicaid Plans to participate in the Demonstration. We believe this was an important first step to transitioning individuals currently in the traditional FFS Medicaid program to a full-risk, integrated, comprehensive, mandatory program offering the full range of services across the continuum of care, spanning acute, behavioral, social and functional services and supports.

CareMore, a subsidiary of our parent company, is an integrated health care delivery system that is currently available to Anthem Blue Cross and Blue Shield Medicare Advantage members in Virginia. Through an exclusive contract with Anthem, CareMore is offered to Demonstration members residing in select regions in Virginia. This model of care is high-touch and member-centric, offering comprehensive care delivery and case management across the care continuum, and linking members and caregivers with needed services to help members remain in their homes and communities. The CareMore model is proven and evolves to adjust to the health care needs of members, including the community-well to those with medically complex chronic conditions.

The CareMore model also includes neighborhood Care Centers. With a special emphasis on wellness, health education and preventing disease, these care centers serve as a health home for members. This

pro-active approach to wellness and medical supervision produces comprehensive and coordinated care across medical, social, psychological, pharmaceutical and economic lines.

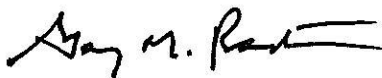
While Virginia has taken certain steps towards a comprehensive program, it is important to underscore why moving aggressively to comprehensive implementation of Coordinated Long-Term Care (CLTC) is critical for maximizing impacts to improve the lives of seniors and people with disabilities and to capture optimal savings. The individuals with the greatest needs use multiple systems. They have acute care service needs and coexisting long-term living support requirements – and these services and supports are paid for with a mix of Medicare and Medicaid funds. In the current compartmentalized approach, the home and community-based services (HCBS) needed to help individuals be discharged timely from the hospital or to avoid a nursing facility stay often exists, but it is beyond the reach of care managers as it is a waiver service with a different funding stream and a different controlling organization.

Integrating the programs, place all tools in one toolkit: the care manager is able to craft a care plan that is responsive to the beneficiary's choices using all the options the state has chosen to make available. This one-stop resourcing also creates a single point of accountability for the state – a powerful fulcrum which provides leverage for quality improvements, expansion of access in underserved communities and populations, and optimization of savings by creating a full continuum of services and supports under a unified program umbrella.

With the 2013 Medicaid Reform and Expansion budget language, the Commonwealth is best positioned to continue to implement needed Medicaid reforms that will benefit both Medicaid members and taxpayers during the next Administration. Providing the benefits of managed care to FFS has nothing to do with the ACA or Medicaid expansion. It is work that can be and should be done to modernize the Virginia Medicaid program. They are opportunities that other states have long since implemented and are enjoying expanded access to quality providers, better clinical outcomes, improved cost containment and overall satisfaction among beneficiaries.

Thank you for the opportunity to reaffirm our support of Medicaid expansion and thank you again for your leadership on this important issue.

Sincerely yours,



Gary Radtke
President, Anthem HealthKeepers Plus

CC: Lindsay Berry, Vice President, Government Relations, WellPoint Government Business Division
Don Gehring, Director, Government Relations, Anthem Blue Cross and Blue Shield
C. Burke King, President, Anthem Blue Cross and Blue Shield