

insider

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Medicaid Savings

An outside consultant says a method to help North Carolina Medicaid recipients receive more proactive health care and treatment for chronic conditions saved nearly \$1 billion over four years. On Wednesday, Gov. Beverly Perdue's administration released results of the review of Medicaid's "medical home model" and Community Care of North Carolina, which is a series of managed care networks that enrolls more than 1 million Medicaid patients. The report by Milliman Inc., an actuarial firm based in San Diego, Calif., estimates \$984 million in savings between mid-2006 and mid-2010 when comparing costs incurred by consumers enrolled in Community Care to those who weren't. Perdue's office says the effort reduces emergency room visits and hospital admissions and improves the patient care quality. "Setting government straight is one of my top priorities," Perdue said in a statement, "and that means getting more out of every dollar the state spends and fueling innovations that save money, which is exactly what this program does."

The report also found that the state's Medicaid program is on the right track to reduce costs by enrolling aged, blind or disabled members into medical homes. Enrollment in medical homes increases costs on the front-end, but reduces long-term expenses. The report found that enrollment of such people in medical homes cost the state an additional \$82 million in the 2006 fiscal year, but resulted in \$53 million in avoided costs by the 2010 fiscal year. Medicaid is the government health care plan for 1.5 million people - mostly poor children, older adults and the disabled.(THE ASSOCIATED PRESS; NEWS RELEASE, 12/21/11).