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October 31, 2016

Navigant Consulting  
c/o Marta Jensen, Acting Administrator  
Nevada Division of Health Care Financing and Policy  
1100 East William Street, Suite 101  
Carson City, NV 89701

Dear Acting Administrator Jensen:

On behalf of Dignity Health and our three St. Rose Dominican hospitals in southern Nevada, I appreciate the opportunity to comment on Nevada's proposed Medicaid delivery model options. As the nation's fifth-largest non-profit hospital system, Dignity Health is committed to our mission of providing compassionate, high-quality care to all and strongly supports proper, efficient and effective access to care, while improving the quality and continuity of health care across the spectrum. Our system has significant experience with managed Medicaid in both Arizona and California. Our comments are based on our key learnings in these other states.

The creation of an integrated model of care that will move toward population health is a goal we hope that all health systems in the state have in mind, but it takes time, collaboration among providers and financial resources to achieve. As you know, health care in Nevada has some catching up to do regarding integrated care delivery and building the infrastructure needed to make sure these changes are successful. And as many other stakeholders have noted, the current Medicaid system is failing many of its enrollees with improper access to primary care, specialists and behavioral health clinicians, and little-to-no education on how to use the health care system. The social needs of many in this population are not currently being met. The State can and should play a key role in setting up a system that works for beneficiaries, providers and payers.

We support the comments and general contracting provisions submitted by the Nevada Hospital Association. Dignity Health, like all other providers, is experiencing high levels of denials, the downgrading of patient statuses not based on medical necessity, and the inability to transfer patients ready for a lower level of care. These administrative challenges, coupled with a reimbursement rate that only covers approximately 40 percent of the total cost of care provided, make it very difficult to continue providing the access and care needed by the Medicaid population. Acute care hospitals currently find it more difficult working with the managed care organizations (MCOs) than fee-for-service (FFS) contracts. We are hopeful that the final recommendations made by Navigant and the State reflect the current issues with the system, along with fixes and infrastructure funding that

need to be made to ensure success.

Based upon experience in other states, our comments on the proposed changes are as follows.

- Resources – Both money and time are invaluable resources when it comes to any delivery model change, and having the proper infrastructure in place is key. Without the proper resources, the success of the project will be compromised.
- Timing – No matter which model(s) are implemented, the State will need to implement a glide path to ensure that funding isn't cut until stakeholders are certain that the changes are working. Ensuring proper lead time in order to cultivate the proper relationships between providers is crucial. Changes should be incremental and working properly before moving to the next step.
- Patient-Centered Education – Everything we do in health care should be patient-centered, but often this is overlooked. Any of the models chosen needs to be patient-centered and understandable. Beneficiary education from the payers on how this system works should be built into the requirements.
- Making a Nevada-Specific Recommendation – While taking best practices from other states is important, it is critical that Nevada's specific issues be considered. In particular, geography, number of patients in Medicaid, the number of providers in the State and current state of readiness for managed care should all be carefully studied before the final recommendation is made to the legislature.
- Billing – As we move toward accountable care organizations (ACOs)/population health, the ability to meet behavior health needs will be important. In Arizona, providers are allowed to bill behavioral health and physical health visits on the same day. The Mercy Care plan in Arizona (a managed Medicaid plan owned in part by Dignity Health) can demonstrate that this one element of their administrative policies reduces ED admissions by more than 25%. We encourage the State to consider these innovative types of payment arrangements to help facilitate the move to managed Medicaid.
- Supplemental Payments – Supplemental Payment programs are an essential part of Medicaid funding for hospitals. These funds allow hospitals to continue to provide access and care to the Medicaid population. Any model(s) chosen should consider the funding mechanisms of these supplemental payment programs and commit to the same levels of funding.

Dignity Health believes the best solution for Nevada is a mixed model approach based on geography, with either an ACO or patient-centered medical home (PCMH) in the urban areas of Nevada and either FFS or a modified PCMH for the rural areas, with an emphasis on proper telemedicine and community paramedicine. We encourage the State to develop a plan that includes a glide path for providers and creates clear and accountable contracting and network advocacy provisions for payer.

Navigant Consulting, Marta Jensen  
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Dignity Health-St. Rose Dominican appreciates the opportunity to submit comments on Nevada's proposed Medicaid delivery model options. We hope that our comments are helpful. If you have any questions, please feel free to reach out to Katie Ryan, Director of Communications and Public Policy at Dignity Health-St. Rose Dominican at [katie.ryan@dignityhealth.org](mailto:katie.ryan@dignityhealth.org) or 702-616-4847.

Sincerely,

A handwritten signature in black ink, appearing to read "B Brannman".

Brian Brannman  
Senior Vice President of Operations  
Dignity Health Nevada

cc: Richard Whitley, Director, Nevada Department of Health and Human Services  
Betsy Aiello, Deputy Administrator, Nevada Division of Health Care Financing & Policy