



Medicaid Leadership Institute

A Progress Report

The Medicaid Leadership Institute is a fellowship program for state Medicaid directors to enhance their leadership capacity so their state programs can serve as national models for high-quality, cost-effective care. It includes the Medicaid Boot Camp, designed to provide critical tools and information to help state Medicaid directors and their senior staff succeed.

The Robert Wood Johnson Foundation (RWJF) launched the Medicaid Leadership Institute in February 2009 with an authorization of up to \$5 million through July 2012. The Center for Health Care Strategies in Hamilton, N.J., a nonprofit health policy resource center for Medicaid policy-makers and stakeholders founded with a grant from RWJF in 1995, is managing this national program. Stephen A. Somers, Ph.D., and Carolyn Ingram are co-directors of the institute.

WHAT PROBLEM IS THE PROGRAM ADDRESSING?

By 2014, Medicaid will become the largest health care purchaser in the nation, responsible for up to 80 million people and with a budget of \$634 billion.¹ Yet, state Medicaid directors—whose responsibilities and scope of work are similar to those of a CEO of a large insurance company or a Fortune 500 company—get little or no leadership training. "In the private sector, CEOs are groomed. You don't get that in the public sector, particularly at the state level," said Nancy Barrand, special advisor for program development and the initial RWJF program officer of the *Medicaid Leadership Institute* (MLI).

Medicaid Plays a Major Role in the U.S. Health Care System

Since well before passage of the Affordable Care Act (ACA) in March 2010, Medicaid has played a major, often underappreciated, role in the U.S. health care system, covering about 63 million Americans. "Medicaid is the largest coverage program for people who would otherwise be uninsured, and it is the platform on which any coverage expansion is going to be based," said Barrand.

¹ These figures assume the Affordable Care Act (ACA) is not repealed or judged to be unconstitutional by the U.S. Supreme Court.

Of note are three facts about Medicaid:

- Medicaid insures people with complex and costly health care needs. For example, nearly half of Medicaid beneficiaries have more than one chronic condition.
- Medicaid accounts for a large chunk of health care spending. Before the passage of ACA, Medicaid represented nearly 15 percent of all health care spending, costing the federal and state governments about \$360 billion annually. Medicaid also accounted for an average of 22 percent of state budgets—the largest single cost in most states.
- Health care reform increases Medicaid's scope dramatically. The passage of ACA, about a year after the Medicaid Leadership Institute started, means that Medicaid's scope will increase dramatically.

"The foundation of the Affordable Care Act is Medicaid, which will have many new responsibilities and huge numbers of people coming into the program," said Deborah Bae, the current RWJF program officer for the institute. By 2014, the program will see an influx of about 16 million to 20 million new beneficiaries.

With Medicaid's expanded scope comes an opportunity to strengthen both the program and health care in America. "The Affordable Care Act transforms Medicaid from a social welfare program to a health insurance program," said program co-director Stephen Somers. He added, "This positions Medicaid to be a dominant purchaser of health insurance. If it aligns with other major payers, it can do a great deal to simplify and strengthen the U.S. health care system as a whole."

Medicaid Directors Are Under Stress and Need Leadership Training

ACA is bringing new challenges and more work to state Medicaid directors, who were already working in a difficult environment. "They have hiring freezes, furloughs, pay freezes, low staff morale, not enough people to run the program, and now, health reform gave them a whole new set of responsibilities," said Melanie Bella, co-director of the *Medicaid Leadership Institute* until September 2010 and a former Medicaid director in Indiana. Bella is now the director of the Federal Coordinated Health Care Office at the Centers for Medicare & Medicaid Services.

California, for example, has a \$20 billion budget deficit. For Toby Douglas, director of the California Department of Health Care Services and Medi-Cal, the state's Medicaid program, that means focusing on "where to reduce spending in Medicaid and how to make tough choices to have limited impact on beneficiaries." Douglas was a fellow in the *Medicaid Leadership Institute's* first class, the Class of 2010.

"You don't otherwise get any leadership training or management training," said Carolyn Ingram, former Medicaid director in New Mexico, a Class of 2010 fellow and now the

program's co-director, "The focus is on budget and cost containment. Quality of care and transforming the system, there's no support for innovation in these areas."

WHAT IS THE PROGRAM ABOUT?

The *Medicaid Leadership Institute* is designed to help state Medicaid directors:

- Develop the leadership skills and expertise they need to manage and improve the quality of their programs
- Pursue innovation that can help transform the nation's health care system

Fellows are competitively selected by a national advisory committee composed of health policy experts with experience in government and the private sector. Tommy G. Thompson, former governor of Wisconsin, chairs the committee. All current state Medicaid directors can apply. The two classes to date have each had six participants.

Along with skill building, the institute gives the fellows "the skills, space and time to learn about and pursue innovation and to think long term and strategically," instead of spending most of their time "putting out the fires," said RWJF's Barrand.

Intensive Leadership Development

The intensive leadership development curriculum is designed to increase the fellows' leadership skills, strategic thinking, problem solving and technical abilities, as well as their substantive knowledge.

Fellowship Components

Each class of *Medicaid Leadership Institute* fellows:

- Attends up to four multiday training sessions focused on broad macroeconomic and health policy issues, technical and operational aspects of Medicaid, communications and leadership development
- Works on a practicum to bring innovation to their individual Medicaid programs, with technical assistance from the Center for Health Care Strategies
- Receives one-on-one leadership coaching

Access to National Experts

The Center for Health Care Strategies teams up with faculty from Princeton University; Harvard University; and the University of California, San Francisco, and other experts from across the country to deliver the curriculum. "The curriculum is built around exposure to national policy leaders and thinkers in academia, in Washington and in the states," said Somers.

The *Medicaid Leadership Institute* "pulls in some real gurus on the delivery of health care in the United States," said Lynn Mitchell, M.D., who was Medicaid director in Oklahoma when she was a fellow in the Class of 2010. Among the program faculty were:

- Michael E. Porter, Ph.D., the Bishop William Lawrence University Professor at the Harvard Business School. Porter is a leading authority on competitive strategy and the application of competitive principles to health care and other social problems. His focus in the *Medicaid Leadership Institute* is value-based purchasing, which emphasizes health outcomes rather than processes.
- Uwe Reinhardt, Ph.D., the James Madison Professor of Political Economy at Princeton University's Woodrow Wilson School of Public and International Affairs. Reinhardt is an expert on health economics and health care reform, with a focus on the intersection of health economics, politics and policy.
- Eldar Shafir, Ph.D., the William Stewart Tod Professor of Psychology and Public Affairs at Princeton University, is an expert on behavioral economics, including how people make decisions about health and health care.

The Opportunity to Innovate

The fellows build the curriculum into their daily work through the practicum, for which they design innovative strategies that achieve a tangible benefit for the state's Medicaid program. Each fellow proposes several ideas for his or her practicum when applying to the program.

Examples include:

- The outreach campaign that Lynn Mitchell designed in Oklahoma to encourage adults with diabetes to discuss cholesterol-lowering medication with their doctors. Read [Mitchell's profile](#).
- The plan developed by Mary Ann Lindeblad in Washington State to integrate behavioral and physical health services.

The team at the Center for Health Care Strategies provides technical assistance throughout the practicum, starting with a site visit, as do faculty and outside experts. State Medicaid staff members participate in the practicums, enhancing their exposure to training opportunities as well.

Personal Leadership Coaching

Coordinated by the University of California, San Francisco, leadership coaches and fellows meet at the first training session and work together after that by phone and e-mail. Coaches have helped fellows build leadership capacity and relationships with staff, deal with stakeholder groups, interact with their governors and legislative committees,

improve communication skills, manage conflicts and set short- and long-term program priorities.

"When they had a problem, they could call their coaches to talk it through. To have someone who didn't have a stake in the situation and could give them advice about having to downsize and freeze hiring or furlough people—that was a unique experience in their professional lives," said Judy Moore, who is evaluating the *Medicaid Leadership Institute* for RWJF. Moore is a senior fellow at George Washington University's Health Insurance Reform Project.

A Flexible Curriculum

The curriculum can change easily to meet the needs and interests of fellows and current federal and state environments. "We're light on our feet. We can adjust the program to fit the conditions out there and the emerging opportunities," said Somers.

During the first year, for example, RWJF and the Center for Health Care Strategies expanded the *Medicaid Leadership Institute* from 12 months to 18 months and from three sessions to four sessions. This gave the fellows more time to work on their practicums and kept the program's momentum going.

Changes for the Class of 2011

In response to experience, feedback from the fellows provided through evaluation interviews and the evolving needs of state Medicaid leaders, RWJF and the Center for Health Care Strategies adjusted the program for 2011 to:

- Make it more interactive. An initial focus on lectures gave way to more dialogue, said RWJF's Bae, "We found that the fellows want more intensive, discussion-oriented, problem-solving sessions. The guest speakers shed light, but [now] they have time for questions and answers. The group likes getting involved."
- Shift the communications component so that it is offered earlier in the training schedule. Communications training covers effective messaging and presentations and how to engage an audience. Each fellow is expected to make a brief presentation and is given feedback and coaching. The participants found the training to be helpful earlier in the schedule.
- Emphasize opportunities for states to capitalize on health care reform. At the Boston meeting, for example, Glen Shor, executive director of the Commonwealth Connector, and Robin Callahan from Massachusetts Medicaid discussed the process they used to implement health care reform in Massachusetts.
- Revise the curriculum by expanding Michael Porter's training on value-based purchasing and other operational and technical aspects of Medicaid while reducing the content focused on Medicaid data and analytics. The fellows also were allowed to

bring up to three senior staff members to a full-day session at the Harvard Business School that included Porter's training.

- Focus the practicum on two ACA-related themes, chosen by the fellows:
 - Health Homes: team-based models of care led by a physician who provides continuous and coordinated care to maximize health outcomes
 - Dual Eligibles: people who are eligible for both Medicare and Medicaid
- Pair each fellow in the Class of 2011 with a mentor from the previous class.

Medicaid Boot Camp

Medicaid Boot Camp, funded as part of the *Medicaid Leadership Institute*, provides critical tools and basic information to strengthen state Medicaid agencies. The Center for Health Care Strategies partners with the National Association of Medicaid Directors on this program, held at the association's annual spring meeting.

Initially a one-day program specifically for new Medicaid directors, the Medicaid Boot Camp expanded in 2011 to three 1-day sessions spread throughout the year, plus occasional webinars and conference calls. It is open to all state Medicaid directors and their senior staff.

Co-director Ingram works closely with the National Association of Medicaid Directors on the boot camp curriculum, calling on current and former MLI fellows to serve as faculty. The Center for Health Care Strategies also considers the boot camp fertile recruiting ground for future fellows.

WHAT ARE THE KEY RESULTS TO DATE?

By recognizing the critical role of state Medicaid directors and improving their leadership skills, the program has become a well-recognized brand among Medicaid officials and other state health leaders, said Somers. "It is bringing a lot of positive attention to public servants who are not getting a lot of positive attention. That's part of the brand," he added.

The Class of 2010 completed its training sessions in June 2010 but continued to participate informally until the end of the year. The Class of 2011 began training in July 2010. For a list of fellows from both classes, see [Appendix 1](#).

Key results to date include:

- Raising the profile of Medicaid and its leaders by connecting fellows to national policy experts, other Medicaid directors, other RWJF projects and federal policy-makers

- Stimulating and facilitating innovations in Medicaid programs
- Building the Medicaid bench

Raising the Profile of Medicaid by Connecting Fellows to Others

By connecting the fellows to others, the *Medicaid Leadership Institute* allows them to share ideas, expertise, resources and support—and helps them gain a voice in federal policy. "State Medicaid directors tend to get siloed within their state and don't see things in other states and things outside Medicaid that they can learn from. The leadership institute definitely brings [these additional inputs] to the table," said program co-director Ingram.

Connections With National Policy Experts

Program faculty, guest speakers and consultants—people to whom the fellows would not otherwise have access—bring innovative ideas and assist the state Medicaid directors with the issues they are facing.

"We wanted to bring them new people, people who weren't familiar with Medicaid but were really smart, and access to ideas that had been proven or tested in other sectors or other parts of the health care sector, but no one had thought about how to adapt them to Medicaid," said former program co-director Bella.

Connections With Other Medicaid Directors

Although Medicaid directors generally know one another, they rarely have the opportunity provided by the *Medicaid Leadership Institute* to continually share ideas and problems, learn about other states' programs and support one another.

For Mitchell, this was the most helpful part of the program: "Just being able every couple of months to sit down with your peers who are going through the exact same things you are and say, 'What are you doing?' and 'Do you think this is going to work?' was very helpful."

Adds RWJF's Barrand, "It's hard being by yourself, especially when you're in a political environment and may not know who you can trust or who it's appropriate to unburden yourself to. If you've got a colleague in another state who you've got this connection to because you're both in the program, that's a wonderful resource."

Connections With Other RWJF Work

The *Medicaid Leadership Institute* also is facilitating connections between other RWJF projects and state Medicaid programs. "The institute plays a pivotal role in terms of

reaching out to Medicaid directors and pulling their expertise into our other programs," said Barrand.

For example, Project ECHO (Extension for Community Healthcare Outcomes) specialists train primary care providers in New Mexico to treat patients with complex health conditions, such as hepatitis-C and diabetes, through an Internet-based audiovisual network, best practice protocols and case-based learning. In 2009, Barrand introduced Carolyn Ingram to Sanjeev Arora, M.D., vice chairman of the Department of Internal Medicine at the University of New Mexico School of Medicine and founder of Project ECHO. Ingram worked with Arora to develop an administrative grant from Medicaid to match some of the funding Project Echo has received from RWJF to expand and replicate its clinic model.

The *Medicaid Leadership Institute* also is helping spread the word about Project ECHO, including by introducing Arora to the Center for Health Care Strategies' Medicaid Users Group.² Composed of senior leaders in Medicaid state programs, health plans and research organizations, the group provides input and guidance to the center.

Read more on [Project ECHO](#).

For additional examples of connections between other RWJF projects and state Medicaid programs, see [Appendix 2](#).

Connections With Federal Policy-Makers and RWJF Program Staff

The *Medicaid Leadership Institute* also has used the fellows as a "kitchen cabinet" to provide input to federal policy-makers and RWJF program staff on health care reform.

For example, Lu Zawistowich, executive director of the Medicaid and Children's Health Insurance Program (CHIP) Payment and Access Commission, a congressional advisory committee, made a presentation at an institute meeting and sought the fellows' perspective on health reform issues related to Medicaid and CHIP. The Center for Health Care Strategies continues to enable her to check in regularly with the Class of 2011.

At RWJF, program staff members are drawing on input from the fellows to learn how states are responding to the ACA in order to inform the Foundation's role in facilitating health care reform.

"The fellows feel special," said RWJF's Bae. "Their voice gets heard. RWJF gets credibility."

² This group is not funded by RWJF.

Stimulating and Facilitating Innovations in Medicaid

The practicums have led to innovations in Medicaid programs, according to Barrand. "The practicums are producing more significant results than we had anticipated or hoped for," she said. Practicums in Oklahoma and California offer good examples.

Reducing Heart Disease Risk in Oklahoma

Lynn Mitchell used economic incentives to influence behavior and improve the health of Medicaid beneficiaries. She learned about behavioral economics from Eldar Sharif, a *Medicaid Leadership Institute* faculty member from Princeton, who introduced her to colleagues at ideas42, a behavioral economics research consortium.

With help from ideas42 and Center for Health Care Strategies staff, Mitchell and her team designed and implemented an outreach campaign with low-cost incentives targeted to about 2,300 Medicaid beneficiaries with diabetes who hadn't had a statin prescription in the previous year. (Statins are cholesterol-lowering drugs that can reduce heart attack risk.) Beneficiaries received a letter, with or without various combinations of incentives (including \$5 gift card and/or sticky notes), encouraging them to talk to their primary care doctor about taking a statin.

Although the results still are being evaluated (as of February 2011), more beneficiaries were using statins after the campaign, said Mitchell. "I'm hopeful we moved the mark in people receiving more appropriate therapy for diabetes," she added. Read [Mitchell's profile](#).

Creating a Value-Based Medicaid Program in California

Toby Douglas is introducing value-based purchasing to Medi-Cal, California's Medicaid program, to improve the quality and outcomes of care for children with special health care needs (brain tumors, lymphoma, leukemia, sickle cell disease, cystic fibrosis, cardiac conditions and spina bifida).

Value-based purchasing is a strategy for organizing high-volume, specialized care focused on specific medical conditions and measuring outcomes rather than processes. Douglas learned about value-based purchasing from *Medicaid Leadership Institute* faculty member Michael Porter. Together with a colleague, senior researcher Jennifer Baron, Porter helped Douglas and his team design the project and provided training and technical assistance.

Under an 1115 federal waiver to test innovative coverage approaches in Medicaid, Douglas will be implementing four pilot demonstration models focused on children with special health care needs. One of those models will use the principles of value-based

purchasing. He expects the demonstrations to begin by the end of 2011. Read [Douglas's profile](#).

Building the Medicaid Bench

The *Medicaid Leadership Institute* created many opportunities to help "build the Medicaid bench," or spread learning beyond the fellows. For the staff of participating Medicaid directors, this included customized on-site leadership training and involvement in the practicums. Ed O'Neil, M.P.A., Ph.D., F.A.A.N., director of the Center for the Health Professions at the University of California, San Francisco, works with the fellows on developing that training.

"Not only was I introduced to new people and ideas, but I was able to bring that back to my staff. We had people come to Oklahoma and introduce some of those concepts," said Mitchell, a Class of 2010 participant.

WHAT ELSE HAS THE PROGRAM ACCOMPLISHED?

Strengthening Medicaid From the Outside

Five of the six fellows in the Class of 2010 have left their positions as state Medicaid directors. Since Medicaid directors are appointed by the governor and have an average tenure of 24 months, RWJF and the Center for Health Care Strategies anticipated high turnover. They also expected most of the fellows to use what they had learned in other positions.

"The most important thing the program can do is help ensure that what they take with them is a perspective of Medicaid as having incredible potential to be a leader in the health care field, and that whatever position they land in, they look for ways to continue to work with Medicaid in a positive way," said Barrand.

The former Medicaid directors are working in positions that are important to Medicaid. For example, Mitchell and Mary Ann Lindeblad, former Medicaid director for Washington State, are both working for their state health departments. Carol Steckel, former Medicaid director for Alabama, is the executive director of health care reform at the Department of Health and Hospitals in Louisiana. And Ingram became co-director of the *Medicaid Leadership Institute*.

WHAT CHALLENGES IS THE PROGRAM FACING?

Completing the Practicum

During the first class, most fellows reported being frustrated that they could not finish their practicum or do as much work on it as they had planned. The reasons included

shrinking budgets and staff; increased responsibilities; broadly defined practicums; and, in some cases, legislative changes.

"It makes it challenging to figure out how to support them in the practicum when they're being forced to cut or not implement things they're mandated to do," said former program co-director Bella. One solution has been for staff members at the Center for Health Care Strategies to go beyond their consulting role and work on the practicum along with state staff. A few states have been able to hire additional staff through foundation grants.

Defining the practicum also took time and required buy-in from the fellows' staff and supervisors. "All of that is not done overnight," said Judy Moore, the evaluator, "That's part of [why the Center for Health Care Strategies and RWJF] changed the time line from 12 to 18 months." For the Class of 2011, the *Medicaid Leadership Institute* also hopes that grouping the practicums in two themes will help the fellows share their experiences and work more efficiently.

Leadership Continuity

State Medicaid directors are subject to political forces, especially in an election year—in 2010, for example, 29 new governors were elected. Involving Medicaid agency staff in institute activities is one strategy for providing continuity in the face of inevitable turnover. "We needed to make sure it trickles down to folks who aren't vulnerable to political changes," said Bella.

What Does the Future Hold?

The *Medicaid Leadership Institute* will continue to evolve in response to the needs of the fellows, opportunities to build the Medicaid bench and the demands of health care reform. "This is a program that is perfectly timed for the era," said program co-director Somers, "Health care reform is going to roll out over a long period of time and Medicaid is only going to get bigger."

Barrand and Bae expect to draw on the expertise lodged in the *Medicaid Leadership Institute* by encouraging more interconnections with RWJF-funded projects, other RWJF program teams and project staff.

"The role of Medicaid director is comparable to [that of] the CEO of the largest health plan. The *Medicaid Leadership Institute* can play an important role in making sure those public officials are as capable as they need to be," said Barrand.

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APPENDIX 1

Medicaid Leadership Institute Fellows (Positions at the Time of Their Selection for the Program)

Class of 2010

Toby Douglas

Chief-Deputy Director
California Department of Health Care Services
Sacramento, Calif.

Carolyn Ingram

Director
New Mexico Division of Medical Assistance
Santa Fe, N.M.

Mary Ann Lindeblad

Director
Division of Healthcare Services
Washington State Department of Social &
Health Services
Olympia, Wash.

Lynn Mitchell

Medicaid Director
Oklahoma Health Care Authority
Oklahoma City, Okla.

Carol Steckel

Commissioner
Alabama Medicaid Agency
Montgomery, Ala.

Sandeep Wadhwa

Medicaid Director and Chief Medical Officer
Colorado Department of Health Care Policy
and Financing
Denver, Colo.

Class of 2011

Thomas Betlach

Director
Arizona Health Care Cost Containment
System
Phoenix, Ariz.

Theresa Eagleson

Medicaid Director
Illinois Department of Healthcare and Family
Services
Springfield, Ill.

Donna Frescatore

Medicaid Director and Deputy Commissioner
New York State Department of Health
Albany, N.Y.

Darin Gordon

Medicaid Director
Department of Finance and Administration,
TennCare Bureau
Nashville, Tenn.

Judy Mohr Peterson

Medicaid Director
Department of Human Services
Salem, Ore.

Michael Nardone

Medicaid Director
Pennsylvania Department of Public Welfare
Harrisburg, Pa.

APPENDIX 2

Examples of Connections With Other RWJF Work

Providing Input on a Health Care Simulation Model

RWJF sought input from *Medicaid Leadership Institute* fellows on a new health care simulation model it is funding called Archimedes Health Care Simulator (ARChES).³

ARChES is a full-scale mathematical model of human physiology, diseases, behaviors, interventions and health care systems that has the potential to transform how and how fast health and health care decisions are made. Users can simulate complex medical conditions and personal traits and evaluate the impact of treatment combinations, providing quantitative information to improve policy and health care decision-making.

One of the key uses for ARChES, said Barrand, is to help Medicaid programs figure out which types of care are most effective. For example, they can evaluate different protocols for heart attack (e.g., diet, exercise, aspirin and other common medications) and simulate their comparative effectiveness and cost.

Providing Input on Community-Oriented Health Care for Inmates

Each year, more than 9 million people, most of whom are low income and chronically ill, serve time in jail. Many of them will be part of the Medicaid influx resulting from the Affordable Care Act. RWJF's Community Oriented Correctional Health Services (COCHS) program fosters partnerships between local jails and community health providers.⁴ The goals are to meet the health needs of inmates and ultimately to improve the health of the community to which they will return.

RWJF sought input from the fellows about how Medicaid could play a role in providing health care to inmates.

GRANTEE PROFILE LIST

- [Lynn Mitchell, M.D. \(Oklahoma\)](#)
- [Project ECHO: Transforming Specialty Healthcare for Underserved Populations](#)
- [Toby Douglas \(California\)](#)

³ Grant ID# 057707 for \$15.6 million.

⁴ Authorized at up to \$5.4 million. It runs until April 2014.