

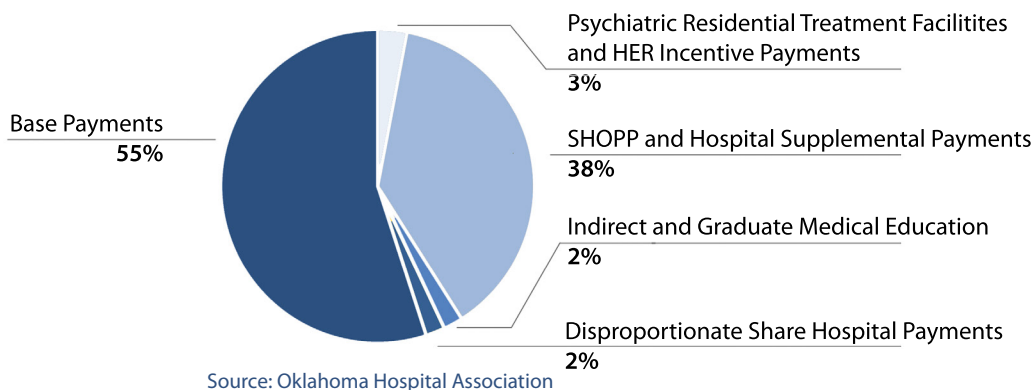
Fewer providers will accept Medicaid

Oklahoma providers have expressed concerns about the privatization of Medicaid. When the state tried this in the 1990s, many providers were forced to stop taking Medicaid patients, suggesting that this time, the “number of physicians willing to serve the Medicaid population will decline,” and this decrease will particularly impact rural residents.¹

Providers will stop participating in Medicaid for a number of reasons, like significant problems with claims and payments:

- After Iowa privatized Medicaid, 66% of providers reported a more complex claims process, and 83% of hospitals were dissatisfied with the new system.²
- In some Iowa hospitals, as many as 15% of all Medicaid claims are denied.³ In Illinois, the hospital association reports that claims to MCOs are denied about 26% of the time.⁴

Hospitals rely on SHOPP payments to survive



How will this play out in Oklahoma?

Many providers in rural areas depend on the consistency of Medicaid payments to keep the doors open and the lights on. The state has already lost rural hospitals and the pandemic will exacerbate this crisis, so supporting providers is vital to ensuring the health of Oklahomans as the state begins to recover. Providers have requested that MCOs pay interest and penalties on all claims not paid within 30 days,⁵ but the Request for Proposals allows 45 days.⁶ For hospitals that depend on consistent payments, this could be detrimental.

The Supplemental Hospital Offset Payment Program (SHOPP) supports many of the state’s providers. Hospitals pay a fee that is then pooled and redistributed to hospitals that serve Medicaid patients. In 2019, these payments made up 38%, or \$665 million, of state Medicaid hospital payments. However, these payments cannot be made for patients enrolled in MCO plans.⁷ **Without SHOPP payments, the state will have to find a new way to support hospitals, or hospitals will have to survive on even smaller budgets.**

¹ Oklahoma State Medical Association, letter in response to the OHCA Request for Information (2020)

² Modern Healthcare, “Survey shows Iowa providers don’t like privatized Medicaid” (2020)

³ Oklahoma Hospital Association, comment in response to the OHCA Request for Information (2020)

⁴ Chicago Tribune, “Illinois hospitals say they’re not getting paid, question state’s outsourcing of Medicaid” (2019)

⁵ Oklahoma Hospital Association, comment in response to the OHCA Request for Information (2020)

⁶ OHCA Request for Proposals, page 247

⁷ Oklahoma Hospital Association, comment in response to the OHCA Request for Information (2020)