OKPOLICY
Oklahoma Policy Institute

Managed care has never worked in rural Oklahoma

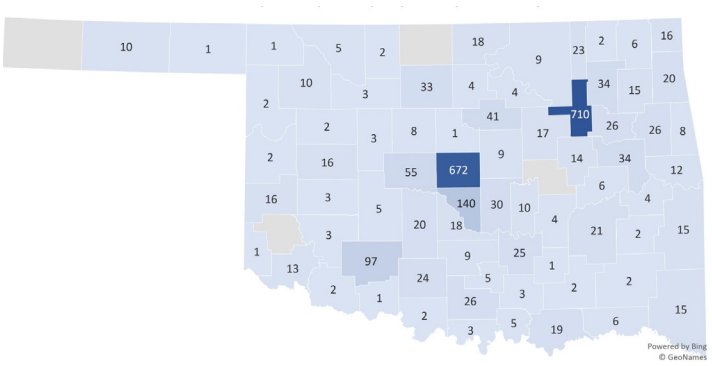
Oklahoma's first foray into managed care showed that it wasn't feasible in rural areas, and the Oklahoma Health Care Authority (OHCA) ultimately decided to administer the program in-house rather than outsourcing.[1] This was likely because of a weak MCO market, but no evidence exists to suggest that this has changed.

In fact, there is still substantial concern that a transition to privatized managed care would harm rural residents.

Privatization will impact access to care

- Oklahoma providers predict that the transition would cause fewer physicians to accept Medicaid.[2] In counties with few primary care physicians, this could decrease access to primary care and increase reliance on emergency rooms.
- Without providers that accept Medicaid, MCOs will struggle to build adequate networks, which could limit enrollees' choices, keep patients from getting necessary specialty care,[3] put long distances between patients and their doctors,[4] or force patients to accept culturally insensitive care.
- Rural patient choice is further eroded because states are not required to award multiple MCO contracts in rural areas.[5]

Number of primary care providers



Source: County Health Rankings and Roadmaps

Finally, rural Oklahomans will be harmed by the unprecedented speed at which the OHCA is pursuing this fundamental change. If privatization of Medicaid has any hope of achieving its goals, it must be "carefully targeted and well-designed."[6]

If the state is intent on transitioning Medicaid administration to a model that has already failed in the state, **it must, at the very least, take an intentional, measured approach to avoid long-term negative impacts.**

[1] Oklahoma Policy Institute, "Lessons Unlearned?" (2019)
[2] Oklahoma State Medical Association, letter in response to the OHCA Request for Information (2020)
[3] MACPAC, "Managed care's effect on outcomes" accessed Dec 8, 2020.
[4] California State Auditor, Report to Dept. of Health Care Services (2019)
[5] South Carolina Rural Health Research Center, "Medicaid Managed Care and the Rural Exception: A Review of Issues and Perspectives from the Field" (2018)
[6] Health Management Associates, "Chronic Disease Management: Evidence of Predictable Savings" (2008)

Oklahoma Policy Institute
(918) 794-3944
info@okpolicy.org