Executive Summary of Impacts of Medicaid Discounting and Recommendation

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Medicaid Discounting and Organizational Challenges

I am writing to you as the governing body of this life-giving organization, where we strive to give the gift of continued existence through organ transplantations, to summarize the myriad challenges we face due to the steep discounts mandated by Medicaid. We are a Medicaid-accepting facility, but our state's lack of Medicaid expansion and new Medicaid policies have severely harmed our bottom line. To reduce the deficit and mitigate the adverse effects on our organization and the populations we serve, this report will detail the specific cuts made by Medicaid, the hardships caused by Medicaid discounting, the impact of federal and state healthcare policies on consumer costs, and propose recommendations.

Cost-Reduction Measures and Reimbursement Pressure

In recent years, the public health insurance program has implemented multiple expense-reducing actions that directly affect our medical facilities (Kaiser Family Foundation,2022). These include lessened repayment rates, previous permission requirements, and execution of packaged payments. The public health insurance program has lowered the rates at which it reimburses healthcare providers, including our facility, for services rendered to public health insurance program beneficiaries. These lower rates fail to cover the costs associated with organ transplantation operations, resulting in significant financial strain. Moreover, the public health insurance program has augmented the managerial burden by enforcing stricter previous permission requirements for organ transplantation operations. This delay in approval frequently conducts to postponements in treatment, which can adversely disturb patient outcomes and increase financial burdens on our facility (Kaiser Family Foundation,2022). To curb costs, the governmental medical coverage initiative implemented bundled payment plans by which a predetermined flat fee was allotted for various treatments for a specific affliction or procedure. While packaged payments can promote efficiency and coordination of care, they may not adequately cover the factual expenses sustained by healthcare providers, leading to financial hardships.

Funding Shortages and Patient Access

Shortages in funding, resources, and patient access to care have all arisen as a direct result of Medicaid cuts. Medicaid's declining reimbursement rates have contributed to a widening gap in our budget. The high expenditures of organ transplantation are not covered by the payback rates, which include organ procurement, surgical procedures, and post-operative care (Office of the Assistant Secretary for Planning and Evaluation,2022). Additionally, the financial strain brought on by Medicaid deduction reduces our capacity to purchase cutting-edge machinery, recruit and retain top-tier medical experts, and deliver optimal treatment to our patients. Also due to budgetary constraints, we are unable to accept Medicaid patients, limiting the number of people in need who can receive potentially life-saving organ transplants. As a result, health inequalities widen and many people go without necessary medical attention.

Government Health Policy and Insurance Coverage

Healthcare policies from the government and individual states positively and adversely impact what customers pay. Inevitable beneficial consequences comprise enacting the Affordable Care Act or ACA, which decreased the number of people without health insurance. Through implementing private insurance marketplaces and broadening Medicaid coverage within select states, a more significant portion of the populace was afforded access to healthcare plans. With the security of more comprehensive coverage, insured individuals exhibit a greater propensity to pursue preventative care and obtain prompt medical intervention for health conditions. This proactive approach to healthcare prevents illness from worsening and lessens the need for expensive emergency or advanced care. Therefore, what customers pay decreases since preventive care and early treatment are usually less costly than dealing with progressive or long-term conditions. The ACA also introduced essential health benefits requiring insurance plans to cover various preventive services at no cost. These preventative interventions include screenings, immunizations, and checkups of several types. By reducing Americans' out-of-pocket costs for necessary screenings and checkups, the Affordable Care Act increases the likelihood that more people will take advantage of these services, leading to earlier disease detection, more effective treatment, and lower healthcare costs overall.

Unintended Costs of Health Reform

Unintentionally, governmental health programs have heightened expenses for persons with personalized coverage. Numerous people without insurance now have medical coverage because of the Affordable Care Act; however, the excessive price of this coverage has distressed specific individuals. The premiums for private plans have escalated, placing comprehensive coverage out of the grasp of some. Moreover, families and persons with little income may encounter substantial financial difficulties due to out-of-pocket costs like deductibles, copays, and coinsurance. People's

already dire financial situations could be exacerbated if they are prevented from getting the care they need. Policymakers must address these cost issues and investigate ways to lower the cost of private insurance to make it available to all. Like many others that chose not to expand Medicaid, our state has a relatively high number of uninsured residents (Office of the Assistant Secretary for Planning and Evaluation,2022). Because of this, nonprofit healthcare organizations that treat the uninsured generally operate at a significant financial loss. Because of this, we cannot help as many people as we would want to in need of our services.

Medicaid Expansion as a Strategic Response

One solution proposed to offset financial hardship brought on by Medicaid cost reductions is to vigorously advocate for expanding Medicaid's reach in our area. Building rapport with policymakers, community leaders, and shareholders, the perks of increasing Medicaid insurance for others become clear. Along with protecting more folks with health plans, increasing Medicaid stabilizes hospital funding by guaranteeing patients access to vital organ transplants (Office of the Assistant Secretary for Planning and Evaluation,2022). Our shared voice amplifies the value of Medicaid growth in easing community strain and bettering health for the underprovided by hosting awareness events, teaming with local advocates, and linking healthcare groups.

Negotiating With Private Insurers

Negotiating with private insurers to set fair reimbursement rates for organ transplant procedures is crucial to offset the adverse effects of Medicaid price cutbacks (Rome & Kesselheim,2021). Through fruitful discussions and collaborations with payers, progress can be achieved in determining appropriate rates that suitably reflect the high costs associated with organ transplantation. This collaborative strategy will involve highlighting the significance and impact of our facilities, providing open data on the expenditures incurred, and showcasing the beneficial results achieved through our expertise in organ transplantation. Promoting reasonable repayment amounts would strengthen our organization's financial footing, ensuring that we can keep providing first-rate treatment to our patients even as we reduce the strain on our resources.

References

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