

# McKinsey & Co Future of Medicaid:

A typical Medicaid agency addresses the healthcare needs of at least one in five of a state's citizens. These agencies are increasingly being asked to play multiple roles: their traditional one as payer-purchaser and operator as well as the new roles of market-shaper and innovator. Simultaneously, the agencies are facing competing priorities (e.g., expanding coverage while containing costs), uncertainty about future funding levels, and an increasingly complex ecosystem of service providers challenging traditional paradigms (e.g., virtual or remote care delivery models). Going forward, the major areas of focus for state Medicaid agencies will include:

- Effective oversight of managed Medicaid programs.
- Modernization of operations and technology.
- Innovations in care delivery and payment.
- Ability to address social determinants of health.
- Effective cost management.

## DELOTTE:

1. Smart medical devices will be in the hands of all Medicaid beneficiaries, empowering them to manage their own health and wellness.
2. A nationwide database of Medicaid and health care data will exist, visible to all health care stakeholders, including Medicaid patients.
3. Managed-care organizations (MCOs) may not exist in the future; “wellness organizations” may rise in their place.
4. Customized behavioral interventions, known as *precision engagement*, will drive wellness and preventive care.

5. Localized health hubs will play a larger role in the health care of the future.

How might Medicaid beneficiaries use smart medical devices in the future?

Racquel is a 32-year-old Medicaid beneficiary who is on maternity leave from her job and home alone with her newborn most of the day. She feels overwhelmed and isolated and has been diagnosed with postpartum depression. Like most people, Racquel has a virtual assistant at home, which she uses for everything from inquiring about the weather to ordering groceries for delivery. Her virtual assistant can also detect changes in her mood, based on the sound and pitch of Racquel's voice.

Today, the virtual assistant has detected an alarming change in her mood, and alerts Racquel's mental health provider. The mental health provider reaches out to schedule an emergency video consultation to assess whether Racquel requires in-person assistance or whether her medications need to be adjusted. The 20-minute consultation confirms that Raquel is okay and offers support and mental health strategies, encouraging her to leave the house and attend the local New Moms group with her baby.

The New Moms group, which meets at a local library, is an extension of the virtual group by the same name. It is a smart health community in which new mothers share useful tips about a range of topics, including managing postpartum depression. Data about Racquel's mood, which is assessed and collected by her virtual assistant, demonstrates that her mood improves when she participates in the group, either online or in person. The virtual assistant often "nudges" Racquel to log into the group's console when her mood dips below a certain threshold, and it will encourage Racquel to attend an in-person meeting if one is being held that day within five miles of her home.