



# DELTA SIGMA INSIGHT

## MEDICAID COMPETITOR ALERT

### ABOUT DELTASIGMA

- ▲ **HEALTHCARE CONSULTING PRACTICE**
- ▲ **FORMER NON-PROFIT HEALTH PLAN CEOS**
- ▲ **BUSINESS, DIVERSIFICATION AND MARKETING PLANS**
- ▲ **RFP STRATEGY AND RESPONSE**
- ▲ **PARTNERSHIP STRATEGY**
- ▲ **INNOVATIVE COMMUNICATION PROGRAMS**
- ▲ **INTERIM AND CRISIS MANAGEMENT SERVICES**

### AGGRESSIVE POSITIONING BY FOR-PROFIT MEDICAID PLANS

In an apparent effort to be well positioned in advance of a new, more Medicaid and uninsured-friendly administration, we have seen significant and aggressive acquisition, expansion and community and political activity on the part of for-profit Medicaid plans.

Recent acquisition and expansion activity among for-profit health plans includes:

Health Plan	Activity
Aetna	▲ Acquisition—Schaller Anderson (AZ, CA, DE, ME, MD, MO, NH, TN, TX)
AmeriChoice (United Health Care)	▲ Acquisition—Unison Health Plans (DE, NJ, OH, PA, SC, TN)
AMERIGROUP Corporation	▲ Acquisition—Tennessee ▲ Expansion—Texas and Ohio ▲ RFP—Tennessee and South Carolina
Centene	▲ Acquisition—Florida and South Carolina ▲ Expansion—Texas
Molina	▲ Acquisition—Missouri

Additional activity is occurring in the area of providing grants and awards to community-based organizations and providers who care for medically underserved populations, demonstrating the for-profit companies' intent to form stronger relationships with safety-net agencies and providers.

Lobby activity is increasing, as well, with the recent disclosure that Molina, alone, spent nearly \$700,000 in 2007 to lobby Congress, DHHS and CMS.

### HOW CAN YOUR HEALTH PLAN BE PREPARED FOR INCREASED COMPETITION?

- ▲ For-profit companies excel at knowing and demonstrating their strengths—Is your health plan regularly doing the same with your state agency, legislators, providers and members? Do you have documentation of successful cost management techniques, disease/care management programs, cultural competency and operational capabilities?
- ▲ Don't take your provider network's loyalty for granted. Develop and update innovative partnership programs with your key providers with aligned incentives.
- ▲ Don't assume that your non-profit status entitles your plan to a "seat at the table" in the future. Are you prepared to compete as aggressively as the for-profit health plans to keep your business?

### CONTACT US

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