

QUESTIONS ABOUT REGARDING WEST VIRGINIA HEALTH CONTRACTS

WEST VIRGINIA
Department of

Health & Human Resources



In West Virginia, a House-Senate oversight committee discovered that the state's Department of Health and Human Resources spent millions on a nonprofit firm. The firm, the Delmarva Foundation, was hired to watch the performance of three companies that provide services for Medicaid. Those three companies were granted multimillion-dollar contracts as well. According to Tina Bailes, the Department Deputy Commissioner, Delmarva Foundation is paid \$600,000 annually. Since 2005, Delmarva Foundation has been paid \$5.5 million, according to records from the state auditor's office. "Somebody's not doing their job here," said Delegate Bobbie Hatfield. "It comes down to somebody or a group of people saying, 'Look, we have a problem here. What have you done to implement, to change these statistics. Who does that fall on?'" The companies being paid by the department include The Health Plan of the Upper Ohio, Carelink Health Plans and Unicare. These companies operate the managed care segment of the state's Medicaid program. The managed care section of Medicaid, called Mountain Health Trust, covers 170,000 people in the state. Department officials said that in the completed budget year, the three companies provided services worth roughly \$343 million. Figures were used to describe how the health of recipients of the services changed each year, according to Bailes and a Delmarva representative, Marci Kramer. The co-chair of the committee, Don Perdue, said that the companies involved in the report have not hit a national benchmark for people with diabetes and improving their health. Perdue said that one of the companies has even lost ground every year from 2009. The Trust for America's Health said that West Virginia is second in the United States for the rate of diabetes amongst adults in the state. "And you said we have not raised any flags over that, we haven't brought any kind of censures or brought any kind of action to that issue. That's a little disturbing to me," Perdue said to Bailes. "If we're going to spend \$600,000 on something to tell us what's going on, and we see this and there's no response, it tells me either we don't need to do the contract, or we need to do it ourselves at a much lower rate, if we're not going to use it anyway." Bailes made it known that the only way to fix the problem is to end the contract and look for a new company to head the program. "This is certainly a good opportunity for the plans to consider a performance improvement project surrounding the diabetes measures," Bailes said. "So, while this gives us an opportunity to look at that, and improve upon that, there are no sanctions that are tied directly to that measure, per se."