

TO: Connecticut Health Care Cabinet  
FROM: Megan Burns, Michael Bailit and Marge Houy  
DATE: August 29, 2016  
RE: State Strategies to Coordinating Health Care Purchasing

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As part of the Straw Proposal, we recommended that the state consider coordinating its purchasing strategies between the Medicaid program and the state employee health program, and do so through aligned contracting with CCOs. When we refer to aligned contracting, we mean that the Medicaid program and state employee health program could have similar contractual requirements for CCOs (e.g., governing board requirements, quality requirements, payment model, etc.), but that they would not be combined into one population and contracted together.

The benefit of coordinated purchasing is clear communication to the health care delivery system regarding state priorities for health care transformation and system performance. Absent such alignment, providers waste considerable effort trying to respond to purchaser demands that take them in many different directions.

To help the Cabinet understand the power of coordinated purchasing strategies, we are sharing a report we authored for the California HealthCare Foundation that was based on research we conducted of 17 states' experiences and challenges with coordinating purchasing strategies. While the focus on the report is the implications of the research findings for California, but we believe that the lessons learned from other states are applicable to Connecticut.