

Navajo Nation Collaboration Could Greatly Boost Molina's Flagging Fortunes in New Mexico

By Ron Shinkman March 25, 2020

Native Americans are among the most medically vulnerable people in the nation. They suffer rates of obesity, diabetes and other chronic conditions much higher than the population at large. The vast majority live in some of the most isolated and impoverished portions of rural America. That means they are often dozens of miles or more from the nearest doctors and hospitals.

Molina Healthcare, one of the nation's largest Medicaid managed care payers, is collaborating with the **Navajo Nation** – the most populous Native-American entity – to improve the care of the latter's members. They will create a specially-tailored managed care plan that will serve Navajo members living in New Mexico.

The collaboration also represents an opportunity for Molina to boost its flagging fortunes in the Land of Enchantment after recently losing a big Medicaid managed care contract.

Of the Navajo Nation's New Mexico population of around 100,000, 75% qualify for Medicaid. Most receive straight fee-for-service coverage and little assistance navigating the healthcare system or receiving ancillary services. That's despite the fact that Navajos are vastly more likely to die of cirrhosis of the liver or in traffic accidents than Americans as a whole, and have infant and maternal mortality rates higher than the national average.

The **Navajo Managed Care Organization**, or MCO, is expected to begin full operations as a pilot program in late 2020 or early 2021, although last week the Navajo Nation voted to ask the New Mexico government to fast-track its activation in response to the COVID-19 outbreak. Coverage would apply throughout the Navajo nation, which sprawls more than 27,000 square miles in Utah, Arizona and New Mexico.

The **Naat'áanii Development Corp.**, the business development arm of the Navajo Nation, will contract directly with Molina Healthcare to obtain services. Enrollment would be passive, meaning everyone who qualifies for Medicaid would be enrolled automatically, but they could opt-out. An estimated 50,000 of the 75,000 potential Medicaid enrollees are expected to remain in the MCO.

“Our great nation has chosen to take control of our own healthcare destiny by taking a historic step towards enhancing and strengthening Navajo self-determination and healthcare,” said **Daniel Tso**, chairman of the health, education and human services committee of the Navajo Nation Council and

the sponsor of the legislation creating the initiative, in a statement. “We hope this will change the landscape for improved healthcare for the Navajo people. I also look forward to the social, cultural and economic benefits the Navajo MCO will bring to the nation.”

Neither representatives of the Navajo Nation nor Long Beach, Calif.-based Molina Healthcare were available for an interview for this article, although various public documents have outlined how the MCO would be formed and operate.

The MCO will go beyond offering traditional health coverage. It will offer enhanced dental care, traditional tribal healing techniques, access to tribal peer specialists, and interaction with tribal care coordinators within the Indian Health Service. Enhanced transportation options will be offered to get enrollees to their providers, as well as additional telehealth services for people living in particularly remote areas. Programs will also be developed to address social determinants of health, such as housing, food insecurity, diabetes and employment.

“It’s genius,” said **Chris Kutner**, a New York City-area attorney who was a long-time legal counsel for a payer affiliated with **EmblemHealth**. “What is appropriate healthcare here in New York may not be in the Southwest. I think the Navajo population has similar ailments, and designing a plan specific to their issues is a good way to address them.”

Collaboration Would Boost Molina’s Fortunes

The arrangement also gives Molina a shot to substantially boost its fortunes in New Mexico. The plan had 222,000 members in 2018, but its enrollment plunged 86.9% to just 23,000 at the end of 2019, according to company **Securities and Exchange Commission** filings. That’s due in large part to the state’s 2018 decision to decline to renew Molina’s Medicaid managed care contract starting last year. Molina had about 206,000 Medicaid enrollees in New Mexico, comprising nearly a quarter of the state's 830,000 participants.

Planning for the MCO dates back to 2012, when Congress reauthorized federal legislation for Native American healthcare delivery. The measure mandated that the **Centers for Medicare & Medicaid Services** assess how the delivery of healthcare services to the Navajo Nation should be improved. Among the proposals put forward by state officials was converting the Navajo Nation coverage to managed care. The MCO would be formed under an existing federal 1115 waiver granted to New Mexico’s Medicaid agency.

“Our primary focus will be to ensure the...pilot project is successful in New Mexico. Once that has occurred, we look forward to exploring opportunities in the future,” Molina and the Naat’áanii Development Corp. said in a joint statement.

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