waymark

Medicaid Transformation Report

Understanding Medicaid's past and examining our role in its future.

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A letter from our founders

> **Waymark** *noun*
> An object serving as a guide to someone traveling

We founded Waymark because we believe that people who face the greatest barriers to being healthy deserve the best healthcare. As a public benefit company, our care model is rooted in a simple value: to work with communities as humble learners, dedicated to listening to the people and patients we serve as our "waymark" for delivering care. Through reflective listening and collaborative solution design, we're committed to charting more accessible and equitable pathways to better health.

For the last 60 years, Medicaid has played an essential role in providing critical health and social care services for more than 90 million people across the United States. 2025 marks Medicaid's 60th anniversary[1], and while we celebrate the impact Medicaid has had on communities across the country, we recognize there is more work to do to continue improving care delivery for historically underserved communities who rely on this vital safety net program.

With Medicaid entering a new phase of significant policy evolution, this report was developed as a free resource to empower stakeholders at all levels—from community health workers and primary care providers to policymakers—to make better decisions about the way we deliver care for Medicaid patients. As our peer-reviewed research demonstrates, proactive early interventions—driven by data and delivered by community-based teams—can meaningfully improve health outcomes, increase efficiency, and drive sustainable cost savings for one of America's largest safety net programs.



Rajaie Batniji, Sanjay Basu, Afia Asamoah
Co-founders, Waymark

[1] National Association of Medicaid Directors, 2023

Medicaid in review

Understanding the past to transform the future

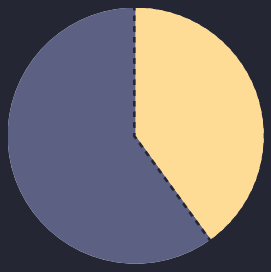
Six decades of Medicaid: Tracing the path to transformation

Transforming Medicaid starts with understanding how the program has evolved over the last 60 years – which includes celebrating the models and approaches that have contributed to more Americans receiving care, while acknowledging the opportunities we have to make the program more efficient and sustainable.

Who and what does Medicaid cover?[2]

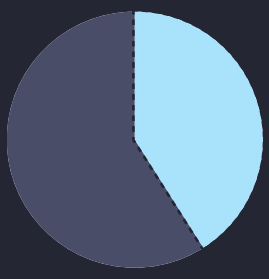
4 in 10
children

5 in 8
nursing home residents

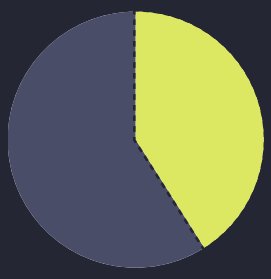


40%
of adults with HIV

1 in 5
people living in the United States



41%
of all births



41%
of disabled adults

[2] KFF, 2025

A brief history of Medicaid

1965

President Lyndon B. Johnson creates Medicaid by signing the Social Security Amendments of 1965. Medicaid was established as a joint federal-state program to provide healthcare coverage for low-income individuals.

1967

The Early and Periodic Screening, Diagnosis and Treatment benefit is created for all children under age 21. This addition emphasized preventive care and early intervention for all children covered by Medicaid.

1972

States are given the option to link Medicaid eligibility for certain populations—most notably elderly and disabled residents—to the newly enacted Supplemental Security Income program, which simplified eligibility determinations for the most vulnerable.

1981

Freedom of choice and home- and community-based care waivers are established, giving state Medicaid agencies more flexibility in program design while encouraging alternatives to institutional care.

1990

Congress's expansion of Medicaid eligibility mandates that states cover expecting parents and children under the age of six up to 133% of the federal poverty level.

2010

Under the Affordable Care Act, states can expand Medicaid coverage to all adults under age 65 with incomes up to 138% of the federal poverty line, marking the largest expansion of Medicaid since its inception.

2020

As a result of the COVID-19 pandemic, Congress creates a policy that allowed states to receive additional federal money for their Medicaid programs as long as they implemented a continuous coverage provision to reduce the risk of patients losing eligibility for Medicaid benefits, even if they did not actively re-enroll.

2022

Congress passes legislation ending the continuous coverage provision.

2023

Medicaid “unwinding” begins as a result of the end of the continuous coverage provision, resulting in millions of Americans losing Medicaid benefits.

2025

Congress passes new eligibility and work requirements for able-bodied adults, enhanced verification processes, and modifications to federal matching rates—representing significant structural changes to the program as it reaches its 60th anniversary.

Medicaid today

Opportunities for growth and innovation

Medicaid's current landscape and challenges

Medicaid programs nationwide are currently confronting numerous challenges impacting providers, plans, and patients. Lack of funding and system strain contribute to primary care burnout, reduced provider participation, and diminished access to care.[3] Understanding these challenges and their systemic impacts is critical to transform Medicaid into a leader in patient care.

[3] Milbank Memorial Fund, 2025

Avoidable hospitalizations and emergency care

In 2024, Waymark published a peer-reviewed study in the American Journal of Managed Care which found that nearly 40% of hospitalizations and emergency department (ED) visits in Medicaid were classified as “ambulatory care sensitive” (or avoidable)[4], meaning they could be prevented through timely access to primary care. That rate is nearly 3 times the rate seen in Medicare and commercial insurance plans. Given the higher cost of ED and hospital visits than primary care visits, the high rate of avoidable acute care utilization has pressured Medicaid programs to reduce unnecessary costs and identify novel approaches to deliver early interventions to “rising risk patients” before they become “high cost claimants”. A rising risk patient is an individual who isn't currently categorized as high-risk or high-cost, but shows early warning signs of potentially developing more serious health conditions or becoming a high utilizer of healthcare services in the near future. Key characteristics of rising-risk patients typically include:

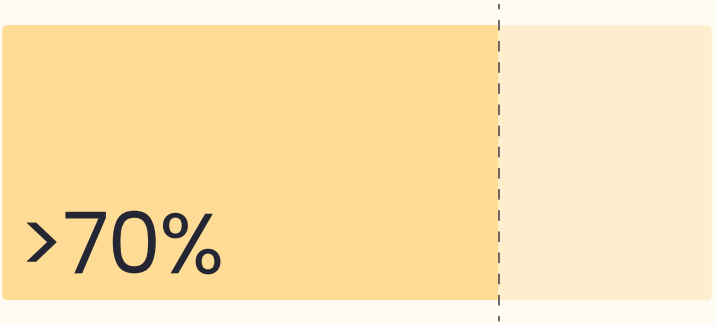
- Beginning to show clinical indicators that predict future health deterioration
- Having one or more chronic conditions that are currently stable but could worsen
- Demonstrating gaps in preventive care that may lead to complications
- Showing early signs of medication non-adherence or care plan inconsistency
- Having social determinants of health factors that could impact their condition

In the context of Medicaid, identifying and intervening before rising risk patients start to become sicker is particularly important for value-based care models. These patients represent an opportunity to prevent progression to high cost status, avoiding more expensive acute care down the line by keeping patients healthier in a proactive manner.

Workforce shortages

Across the board, the U.S. healthcare workforce increasingly faces shortages, particularly in primary care, with experts predicting nationwide shortages of critical healthcare labor and a total deficit of 100,000 workers by 2028[5]. More than 70% of community health centers (CHCs)—which serve more than 15 million Medicaid beneficiaries annually[6]—report primary care physician (PCP), nurse, or mental health professional staffing gaps[7]. The labor shortage has, unsurprisingly, disproportionately impacted patient care; health systems, CHCs, and independent practices struggle to get in touch with patients, coordinate care, and connect with pharmacy, behavioral health, and social services.

During the COVID-19 pandemic, some Medicaid programs began incorporating community health workers (CHWs) into their care management teams to outreach to people with reduced healthcare access during lockdown periods. As trusted members of the community, CHWs are nonclinical staff members who can help engage traditionally hard-to-reach populations, connect them with healthcare services, and address health-related social needs. While many state Medicaid programs weaved CHW-delivered care into their programs, lack of sustainable funding, workforce development issues, and limited infrastructure to support CHW programs have contributed to the loss of this workforce across many states and regions[8].



CHCs report staffing gaps

[4] American Journal of Managed Care, 2024
[5] Mercer, 2024
[6] The Commonwealth Fund, 2024
[7] Fierce Healthcare, 2024
[8] National Academy for State Health Policy, 2025

Limited accuracy of traditional proactive prediction models

Medicaid programs typically rely on risk prediction models to allocate limited care management resources and identify and engage patients who need support. These traditional risk prediction models face several critical limitations:

Reliance on historical claims data

This data depends heavily on past medical claims, which can be months old and fail to capture current health challenges.

Reactive, not proactive

Traditional models often focus on already high-cost patients, rather than identifying those who could benefit most from early intervention.

Incomplete patient data

Many data sets fail to integrate clinical and social risk factor data.

Lack of actionable insights

Many models identify risk but don't provide specific, actionable insights to care teams to guide interventions.

Poor accuracy for Medicaid populations

Most models were developed for Medicare or commercial populations, and often perform poorly for Medicaid members who have different risk factors and utilization patterns.

Evolving policy environment

Medicaid is currently in the midst of significant policy changes through recent federal legislation that introduces new work requirements, enhanced eligibility verification processes, and changes to federal matching rates. These changes will likely impact how states administer Medicaid and how patients access care. This evolving landscape has created significant uncertainty and reinforces the importance of developing flexible, community-based care delivery models that can adapt to changing policy requirements while maintaining focus on patient outcomes and care quality.

Conventional risk prediction models in Medicaid

3 out of 10

accurately identified as rising risk

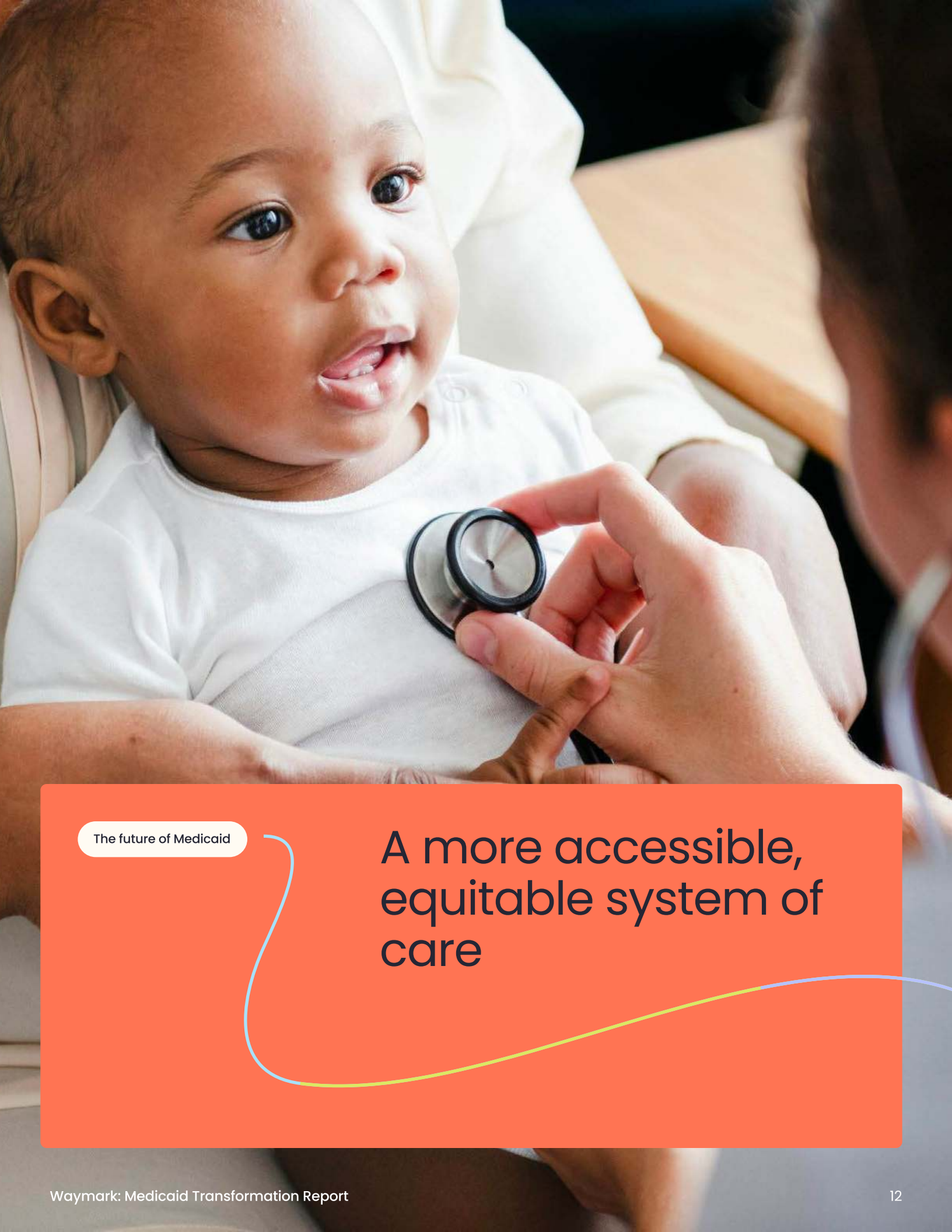
vs.

Waymark Signal™

9 out of 10

accurately identified as rising risk

[9] Nature Scientific Reports, 2024



The future of Medicaid

A more accessible, equitable system of care

Responding to challenges with community-based care

Waymark was founded as a public benefit company to address these challenges and create a more accessible and equitable system of care for people enrolled in Medicaid. As policy requirements continue to evolve, our approach remains focused on the fundamental goal of increasing the efficiency of the program and driving sustainable cost-savings by using technology and community-based teams to reduce avoidable hospitalizations and ED visits and close gaps in care.

Our three key pillars

Targeting Technology

- Signal for Rising Risk
- Signal for Quality
- Signal for Maternity

Care Team

- Community Health Workers
- Care Coordinators
- Licensed Therapists
- Clinical Pharmacists
- Pharmacy Technicians

Provider

Patient

Evidence-Based Care Pathways

- Chronic Condition Support
- Behavioral Health Therapy
- Quality Gap Closure
- Accompaniment & Navigation

Leveraging advanced technology

Transforming Medicaid into a model of health care delivery innovation requires investing in new technologies that address the core challenges the program is facing: reducing avoidable hospital/ED visits and improving workforce efficiency. Waymark is directly tackling these challenges through the development of advanced data science technologies that identify rising risk patients before emergencies occur, while equipping care teams with streamlined digital tools that automate administrative tasks and prioritize meaningful patient interactions. For example, Waymark Signal, our proprietary patient targeting platform, includes a suite of machine learning (ML) models that combine social, economic, environmental, and medical data to identify specific windows of opportunity for proactive intervention. These models achieve 90.4% accuracy in predicting avoidable hospital/ED visits among a validation sample of over 10 million people receiving Medicaid benefits, and have been peer-reviewed and published in leading academic journals.[10]

This high level of accuracy is made possible through the use of extreme gradient boosting, a form of machine learning particularly well-suited to creating decision trees based on complex combinations of factors.

These decision trees go beyond the capabilities of standard regression-based models, allowing for a more nuanced and comprehensive understanding of patient risk trajectories over time. The real-time insights and alerts provided by this technology enable our care delivery team members to act quickly when a patient is flagged as rising risk. The technologies Waymark employs send notifications from area EDs and hospitals to Waymark's care delivery team within 15 minutes of a patient entering or being admitted to an ED. This also ensures in-person connections are made with patients who may not have stable phone numbers or addresses, and thus haven't been engaged by care management professionals in the past.

Another critical function is this technology's integration of social risk data and patient health information. As an example, the system can combine data on air pollution and other social risk factors with a registry of patients by disease type, such as those suffering from asthma or chronic obstructive pulmonary disease (COPD). This integration makes it possible for care team members to take proactive action, like facilitating early inhaler refills ahead of anticipated patterns of wildfire smoke.

Signal for Rising Risk

Predict which patients will become high-cost claimants

Help them overcome clinical and social barriers to managing their health to reduce avoidable ED visits and inpatient care

Signal for Quality

Predict which patients will need support to access preventive care

Work with PCPs to close gaps in care and improve quality performance

Signal for Maternity

Predict which patients will have high-risk pregnancies

Early identification to prevent complications and reduces costs

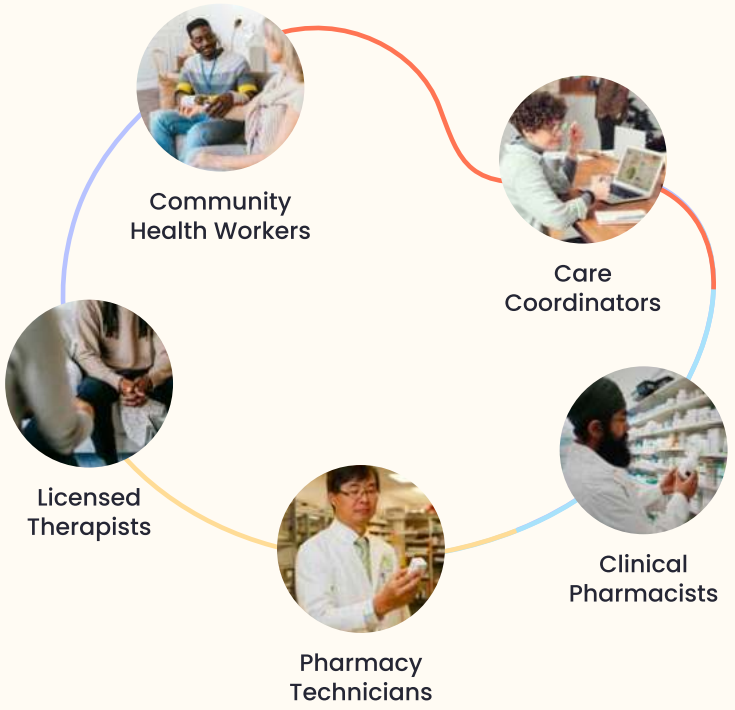
[10] Nature Scientific Reports, 2024

Community-based care and investment

While advanced technology plays a crucial role in making Medicaid more efficient, it can never replace the essential human communications that drive sustainable improvements in population health outcomes. Successful Medicaid transformation will require continued investment in community-based care teams who bring cultural competence, empathy, and personal relationships to complement technological solutions.

Waymark hires and trains CHWs, clinical pharmacists, licensed therapists, certified pharmacy technicians, and care coordinators who are based in the communities they serve. These teams are supervised by PCPs employed by Waymark and utilize evidence-based protocols tested across randomized controlled trials that have demonstrated improvements in patient outcomes, specifically for patients who receive Medicaid benefits.

Patient-guided care is fundamental to our approach. Our care teams start every patient relationship by listening to patients identify their most pressing barriers, both clinical and non-clinical. These barriers frequently involve social determinants of health, such as access to nutritious food, stable housing, reliable transportation, quality childcare, or employment opportunities. By addressing these barriers that often impact patients' ability to respond to care, our teams create a more holistic and effective care plan for each patient. CHWs are able to connect patients with medical care and with local organizations to aid in addressing social needs, including (but not limited to) food support or utility payment assistance. Therapists provide behavioral health support, often preventing further ED "holds" for suicidal or homicidal ideation or substance use overdoses. This approach is particularly effective in engaging whole households with multiple, interrelated needs—for instance, addressing substance use and chronic disease in a parent alongside behavioral health challenges in their child.



Community Health Workers

Community health workers schedule appointments, transportation, and translation and connect patients with SDOH-related support in their communities.

Care Coordinators

Care coordinators work with partners to ensure HEDIS quality gap closures and ensure no patient is left behind.

Clinical Pharmacists

Clinical pharmacists help patients proactively manage chronic conditions through medication adherence and consulting.

Pharmacy Technicians

Pharmacy technicians help resolve medication-related insurance issues and assist patients with urgent medication needs pertaining to chronic conditions.

Licensed Therapists

Licensed therapists support patients in navigating behavioral health challenges and related goals.

Supporting primary care providers

Investing in the future of Medicaid also includes investing in the PCPs who serve patients, as these clinicians represent the foundation of an effective healthcare system and are uniquely positioned to drive transformation. Research consistently demonstrates that regions with higher primary care density experience better health outcomes, reduced hospitalizations, and lower healthcare costs, particularly for vulnerable populations.[11]

Waymark supports PCPs by "wrapping around" primary care offices, extending their capacity outside of the brick-and-mortar clinic, and assisting them to access external resources without requiring them to adopt new technologies or workflows. Our partnerships are rooted in ongoing communication through existing electronic health record (EHR) systems, which means PCPs don't have to install any new technology to benefit from their partnership with Waymark. This also ensures care providers have access to the most recent information about a patient's progress without any workflow changes.

In areas that extend past the bounds of traditional medical care, Waymark care team members can offload some responsibilities from PCPs, thus freeing them to focus more on patient care. CHWs handle social services coordination, therapists manage behavioral health needs, clinical pharmacists take care of pharmacy notices and associated paperwork, and pharmacy technicians manage patient questions. This support extends to patient engagement as well; CHWs can, with patient consent, attend primary care appointments, allowing for real-time coordination and follow-ups. This ensures care plans are effectively implemented and reduces the likelihood of patients being lost to care after an initial visit. Waymark's care teams also handle patient outreach to keep patients formerly lost to care current on routine appointments and screenings that would otherwise be missed, thus removing that concern from primary care teams.

[11] PLOS One, 2020

Our outcomes

The path to Medicaid transformation

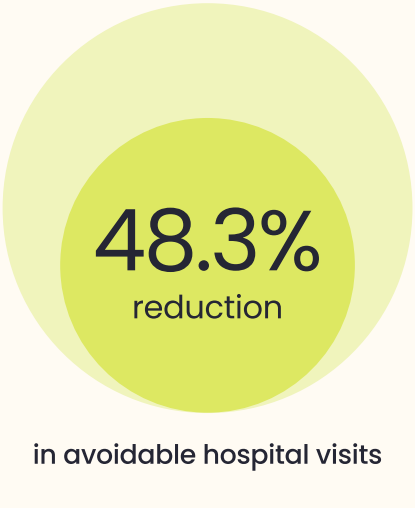
Waymark's contributions to Medicaid transformation

As a public benefit company, Waymark is chartered to improve healthcare quality, access and equity for patients receiving Medicaid benefits. We focus on consistent progress in three key areas: improving clinical outcomes, driving long-term cost-savings, and advancing the evidence base for Medicaid care delivery.

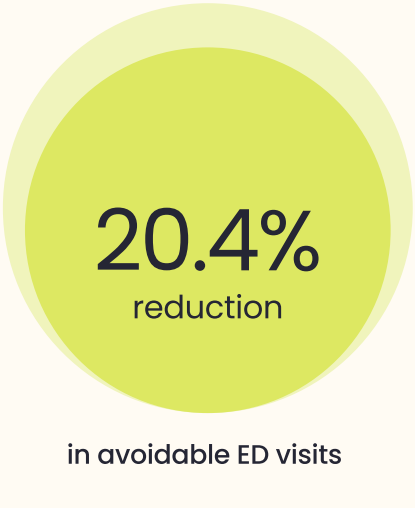
Transforming clinical and economic outcomes

Medicaid programs are facing increasing pressure to demonstrate value and control costs while maintaining quality care. Waymark addresses this challenge by targeting the root causes of expensive acute care utilization. In 2024, we published a study in the New England Journal of Medicine (NEJM) Catalyst demonstrating that our approach to community-based early interventions significantly improved care outcomes and quality while delivering significant cost-savings.[12] The peer-reviewed article summarizes how Waymark managed care for over 64,000 patients across Washington and Virginia in our first year of service.

in all-cause ED and hospital visits

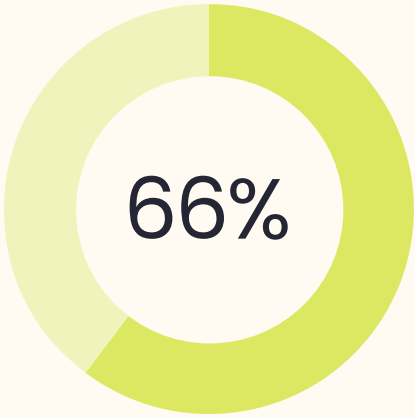


in avoidable hospital visits

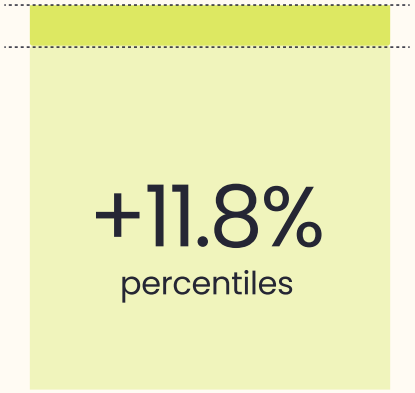


in avoidable ED visits

in outpatient primary care visits



of patient clinical and social goals completed



Average improvement for 7 of 9 HEDIS quality measures

$253 in total cost-savings per intervened patient per month

*Relative reduction (%) among rising risk patients relative to a matched comparison group of rising risk patients who were not activated, using a difference-in-differences statistical analysis to control for measured confounders (demographics, risk factors), secular trends, and time-invariant unmeasured confounding.

[12] New England Journal of Medicine Catalyst, 2024

Transforming the evidence base

As a public benefit company, Waymark is committed to learning from our research and sharing our findings through rigorous, peer-reviewed research and evaluation. We recognize that the complexity of serving Medicaid populations—who often face significant social and clinical risk factors—requires innovative approaches that must be carefully tested and validated. We see this evidence-building not just as an academic exercise, but as essential to creating sustainable, scalable solutions that meaningfully address healthcare disparities.

Since launching in 2022, we've published nearly 30 peer-reviewed articles examining the state of Medicaid today and what's needed for transformation. By sharing evidence about effective interventions, technology advancements, and community-based care strategies, we aim to help other organizations implement more effective Medicaid care delivery models.

Key publications on Medicaid transformation

JUNE '23

Value Veneers and How to Enable Value in Medicaid Care Delivery

Health Affairs Forefront, June 2023

We argue that value-based payment in Medicaid has been limited by "value veneers"—superficial arrangements that don't meaningfully change care delivery. We propose "value-enabled care" as a solution, where providers partner with wraparound service providers to transform care delivery.

JAN '24

Prediction of Non-Emergent Acute Care Utilization and Cost Among Patients Receiving Medicaid

Nature Scientific Reports, January 2024

As one of the largest comparisons of Medicaid risk models to date, this study found that Waymark Signal was greater than 90% accurate in predicting avoidable hospital/ED visits for patients receiving Medicaid—a 3x higher probability of predicting a non-emergent visit ahead of time compared to the next-best algorithm.

OCT '24

Supporting Rising-Risk Medicaid Patients Through Early Intervention

New England Journal of Medicine Catalyst, October 2024

In this peer-reviewed study evaluating our first-year performance, we found that Waymark achieved a 22.9% reduction in all-cause ED and hospital visits for rising risk patients receiving our services (compared to a matched control group of rising risk patients over a 6-month follow-up period).

NOV '24

Geographic Variations and Facility Determinants of Acute Care Utilization and Spending for ACSCs

The American Journal of Managed Care, November 2024

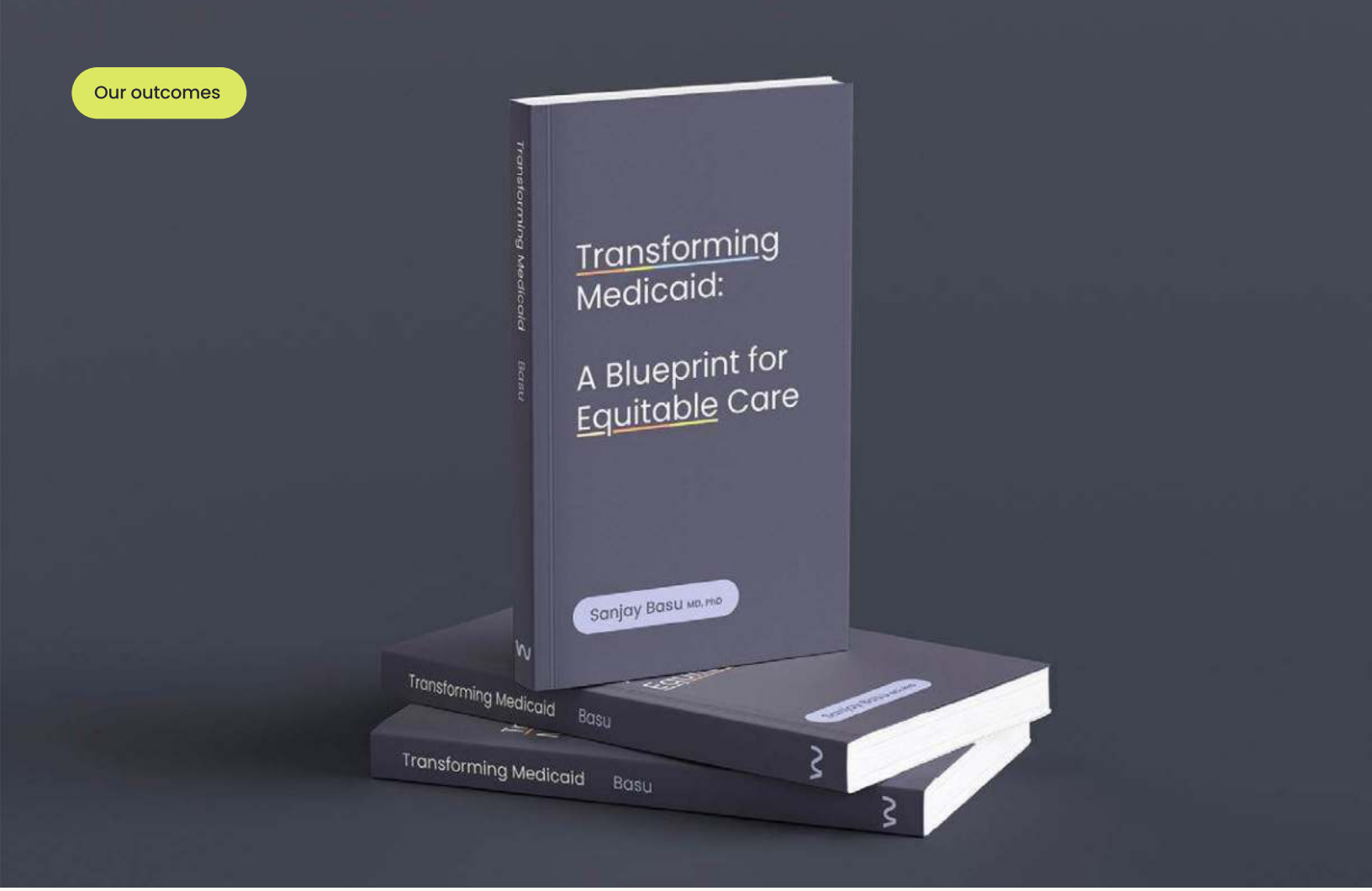
We analyzed data for 48.4 million patients receiving Medicaid across 34 states and Washington D.C. and found that nearly 40 percent of hospitalizations and ED visits could be avoided through timely access to high-quality primary care—nearly 3x the rate for Medicaid and commercial health insurance programs.

JUL '25

Projected Health System and Economic Impacts of 2025 Medicaid Policy Proposals

JAMA Health Forum, July 2025

We project that between 7.6 million and 14.4 million people will become uninsured due to Medicaid policy changes in the "One Big Beautiful Big Act," resulting in 13-14 excess deaths, 810-924 preventable hospitalizations, 2,582 jobs lost and $1.2 billion in reduced economic activity per 100,000 coverage losses.



A blueprint for equitable care

In 2024, Waymark released Transforming Medicaid: A Blueprint for Equitable Care, a book (available in print and online) examining the past, present, and future of Medicaid, and what health plans, providers, and policymakers can learn as we all collaboratively work to improve the social safety net that serves millions.[13]

Drawing from peer-reviewed studies and real-world results, this book offers actionable insights and examples to help Medicaid stakeholders improve care quality while reducing costs in an evolving policy landscape.

This free, publicly available resource offers data- and science-backed recommendations for long-term solutions to Medicaid's most pressing challenges, including:

- **Addressing the underlying drivers of healthcare costs** including high prescription drug prices, overuse of unneeded medical services, and repeated emergency room visits
- **Leveraging social determinants of health data** to better care for communities
- **Understanding the structural barriers** that prevent some Americans from accessing care at all

[13] Transforming Medicaid: A Blueprint for Equitable Care, 2024

Conclusion

Ultimately, transforming the future of Medicaid requires a balanced approach that leverages both technological innovation and human connection. True system improvement demands reimagining Medicaid care delivery through a lens of equity, efficiency, and evidence—creating more accessible pathways to better health for historically underserved communities, while honoring the dignity and needs of each person served by the program. This is why Waymark exists.

At the heart of our vision is a deep commitment to supporting the primary care infrastructure that serves as the foundation of effective Medicaid care delivery.

We are optimistic about Medicaid's future, because we see tremendous potential in empowering PCPs, investing in community-based care teams, and developing technologies informed by the voices of those historically excluded from the development process. As Medicaid navigates significant policy changes in its 60th year, programs face increased pressure to demonstrate both clinical effectiveness and fiscal responsibility. Our approach offers a proven path forward that delivers measurable improvements in both patient outcomes and program sustainability.

In times of uncertainty, evidence-based, community-centered care delivery becomes even more essential. We hope this report serves as a catalyst for positive change in Medicaid programs across the country.

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