AUGUST 2026

A BETTER APPROACH TO MEDICAID PROCUREMENTS

Identifying the Health Plans Best Equipped to Deliver High-Quality Care

Medicaid procurements select which health plans deliver care to 75 million Americans. When procurement works well, states identify health plans that improve quality, expand access and meet the unique needs of local communities. Yet procurement outcomes do not always successfully align with those goals, creating barriers for regional non-profit plans with a proven record of high-quality care.

The Challenge

The procurement process rewards scale and procurement sophistication over local value, unintentionally favoring companies with the biggest infrastructure and deepest pockets, not those delivering the best coverage and care.

Across 10 recent Medicaid procurements...

Regional plans won 2 new markets while national plans won 8 new markets



The bottom line: community-based, nonprofit plans face barriers to expanding into new Medicaid markets, even though they consistently succeed in markets where they already have a proven track record.

Why Procurement Falls Short

National carriers invest millions of dollars into procurements. Regional plans must **balance procurement demands with day-to-day operations**



Narrative-heavy proposals can outweigh **demonstrated results** and **community impact**



States say they want local, high-performing health plans, but **scoring methodology favors large nationals** with multi-state footprints over proven performance



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Strengthening Medicaid Procurement



Medicaid procurements should identify the health plans best positioned to deliver high-quality care, strong provider partnerships and meaningful results for the communities they serve.

- **Prioritize demonstrated performance**
  Give greater weight to proven quality, past performance and measurable results, not just what plans promise to deliver in the future.
- **Increase transparency**
  Make scoring priorities, evaluation criteria, and procurement timelines clearer while providing meaningful feedback to participating plans.
- **Promote competition**
  Design procurement processes so regional and nonprofit plans can compete based on the value they deliver, rather than the size of their procurement infrastructure.
- **Recognize local impact**
  Value plans' community investment, provider partnership and long-term commitments to the populations and communities they serve.
- **Align state and federal processes**
  Promote clarity and ease resource strain by aligning state and federal procurement timelines, allowing for greater public input, higher response quality and adequate time for implementation.

Better procurement means better choices for states—and better care for Medicaid members.



Local health plans play a central role in delivering high-quality, coordinated coverage and care to Americans enrolled in Medicaid. State procurement processes need a new approach to recognize demonstrated performance, strengthen competition and support healthier communities.

For more information please contact **ACHPadvocacy@achp.org**.