

SLI REPORT

Shadow Government in Georgia's Medicaid



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Context

This document demonstrates how the NAMD (National Association of Medicaid Directors) altered the entire trajectory of the Georgia Medicaid program by inserting California values into the bureaucratic process of Georgia, without a single elected official noticing. **The danger of the Shadow Government is that it is incredibly effective at utilizing bureaucratic processes to govern.**

To repeat: The most significant government program in Georgia, impacting the healthcare of millions of Georgians, has been captured by the left without a single vote cast, without the knowledge of a single Georgia elected official.

This is not an abstract problem—this is as real and as personal as policy can possibly be. This document shows how (facially absurd) “woke” priorities are laundered from PowerPoint presentations at fancy conferences to policy questionnaires that end up changing the doctors people seek help from and the clinics their children go to when they’re sick.

Background

Every ten years, Georgia reopens its bidding for Medicaid insurance contracts; this review began in 2023, and filings were closed in December of that year. This process determines which companies get to insure Georgia residents through Medicaid programs and, as a result, cover over **two million** Georgians and receive [4.5 billion in state spending for Medicaid and PeachCare](#).

Under normal circumstances, this process is weighed through an analysis of the lowest bidder vs. the best quality of care on a points basis, where applicants are scored out of 1,000 points and decisions are made free from undue influence. The state officials handling the process are supposed to select for the best care within reason of fiscal responsibility to the state of Georgia and her people. However, for Georgia’s most recent filing, this doesn’t seem to be the case.

How The Shadow Government Changes Policy

[Documents obtained by The Free Beacon](#) show that in June of 2023, questions used for the procurement of Medicaid contracts were rewritten to select for left-wing cultural compliance. The first of these was a question that was originally about a 14-year-old white female who suffered from anorexia and depression; this was later changed to a 14-year-old transgender child. Insurance firms that did not properly adhere to progressive preferred pronoun procedures or recommended faith-based institutions within a list of resources were severely docked points. While those that recommended the child go to a hormone clinic for “future hormone use” received the highest scores which violates SB140 signed into law by Gov. Kemp in March 2023.

33. A fourteen (14) year-old, transgender White female (assigned male sex at birth but identifies as a female) member living in a rural area has been diagnosed with major depressive disorder. She has been seeing a therapist in another town but has missed recent outpatient sessions. In addition, she has anorexia nervosa and will additionally require CBT, group therapy, physical exams, labs and other care. She has two younger siblings, and she shares a bedroom with her younger sisterbrother. Describe the Supplier's approach to engaging the member in a course of treatment. Include in the Supplier's response how the Supplier may coordinate both the use of telehealth and in-person appointments to deliver care and ensure care continuity.

Edits on a June 2023 Word document show how Georgia career staffers inserted transgender issues into the state's multibillion-dollar Medicaid contract.

Screenshot from The Free Beacon

Furthermore, emails show that McKinsey & Company was consulting on the rewriting of these questions, and according to protest filings from Peach State Health Plan, McKinsey was doing so [before they had filed a Consultant Confidentiality and Disclosure Agreement Form](#). This raises questions about the legitimacy of the process itself.

Winning bidders scored disproportionately higher on questions related to internal DEI programs. **These questions were not present in filings from 2015**, and winners like UnitedHealthcare were lauded for their “plan to induce DEI frameworks into the culture.” While losing bidders scored lower for not mentioning “cultural humility.”

The Unreported Shadow Government Influence

What goes uninvestigated in these reports is the undue influence of the **National Association of Medicaid Directors** via its members and ties to those who oversaw the bidding process, the primary suspect being Chief Health Policy Officer Lynnette Rhodes.

PRESS RELEASE · 03/13/2023

New Leadership Elected for NAMD Board of Directors

NAMD welcomes incoming Board of Directors' President Cindy Beane (WV) and incoming President-Elect Lynnette Rhodes (GA).

NAMD announcement of Lynnette Rhodes's election

For Georgia's procurement process, committee members first score each insurer's submission independently. They then later meet for a committee validation meeting. In Peach State Health Plan's protest filing, they found that in the validation meeting that follows the independent scoring and review, [committee members changed their scores and comments to reflect Lynnette Rhodes during the review process](#).

committee’s validation meetings. Not only do these records show Ms. Rhodes’ subordinates often falling in line with her ratings, but the validation comments in some instances blatantly reflect that evaluators who report to Ms. Rhodes changed their ratings to align with “Lynnette’s currently provided comments” or copied the exact language (typos and all) that Ms. Rhodes used in her own comments. [See, e.g., **Exhibit 6**, Peach State Validation Comments, pp. 3-4; see also Ex. 1, Evaluation Spreadsheet, Peach State Tab, GFMS13]. Indeed, a statistical analysis of the

Peach State Health Plan legal protest filing

In 2023, when the Medicaid contract process was internally being written by the DCH, Lynnette Rhodes was elected President-Elect of the NAMD; she and other DCH staff also attended multiple NAMD events. Documents obtained from the Georgia House Budget and Research Office show that the DCH has spent over \$135,000 on attending NAMD conferences. This doesn’t include broader spending, employee training, professional development, and state membership dues Georgia pays to the NAMD.



Georgia DCH attending NAMD conferences

The National Association of Medicaid Directors has a long history of pushing DEI initiatives and progressive policies to state-level departments. In 2021 equity was listed as the [foundational principle for all reform](#).

Advancing Equity in Medicaid

Equity is foundational to all of the issues outlined in this document. Whether we are discussing telehealth policies and addressing the digital divide or improving our data collection and analytics to identify solutions to populations experiencing disparate outcomes, the lens of improving equity and addressing longstanding inequities within the program should be brought to bear. NAMD is encouraged by the similar commitment to equity at the federal level. Equity work should include a focus on racial and ethnic minorities, rural populations, Tribal populations, and any other groups experiencing disparate health outcomes, with an understanding that inequities are multidimensional and often fall across multiple population characteristics or categories.

We also see discrete areas where focus would be beneficial, bearing in mind that the work to advance equity in Medicaid is holistic and branches across all issue domains.

The NAMD's podcast "Medicaid Leadership Exchange" has multiple episodes featuring the implementation of [internal DEI task](#) forces and initiatives in state programs, and Rhodes has her own episode featuring "[Vaccine Equity.](#)" Most concerning is how the NAMD has advocated measuring the diversity of their provider networks and ensuring that state Medicaid programs work with "[culturally aligned.](#)" This shows a direct link between the NAMD policy and the decisions to change the questions and add DEI related questions. Effectively screening for insurance providers that satisfy this state recommendation.

- **Evaluate and promote a diverse and culturally reflective workforce.** Some state Medicaid agencies are going beyond measuring if they have enough providers in their long-term care systems and are developing ways to measure the diversity of their provider networks and whether or not the providers are reflective of and culturally aligned with the person receiving the services.

The new Medicaid contract priorities reflect the Shadow Government and not Georgia. While Governor Kemp ran on prohibiting child transgender procedures, his state departments are promoting it through Medicaid contract awards.

While DEI bans in schools are being passed in the state, Georgia departments are requiring DEI task forces and "cultural humility" seminars from health insurance providers.

This is not a recent development but the most recent manifestation of what the Shadow Government exists to do. The policy recommendations, podcasts, and media found in this report date back half a decade and the DCH's funding of the NAMD goes even further than that. This is how the Shadow Government operates, by inserting itself into state bureaucracy, subverting elected officials, and pushing its own agenda that doesn't reflect the people the public sector is serving. In doing so, they seize control of government departments and inject themselves into every aspect of people's lives.

The Solution

Due to the compromised nature of the DCH in Georgia, the state auditor and inspector general should open investigations into the connections and ethics violations of the Department of Community Health, Lynnette Rhodes, and the National Association of Medicaid Directors.

It has become clear that there is insufficient oversight within these departments to ensure that the actions taken reflect Georgia's values and are unadulterated by foreign interest groups. Membership in organizations such as the NAMD should be withdrawn; the state should no longer allow taxpayer dollars to be spent on Shadow Government conferences, training, and professional development.

Most importantly, there must be significant oversight of these departments' actions, which can no longer be trusted to act in the best interests of the people. New regulatory priorities, policies, and contracts must be approved by a review from the elected officials of the state. The dissemination of "best practices" from Shadow Government organizations like the NAMD and their implementation in state departments should be prohibited.



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