Jarrod McNaughton is the Chief Executive Officer of Inland Empire Health Plan, one of the 10 largest Medicaid health plans and the largest not-for-profit Medicare-Medicaid Plan in the U.S., serving more than 1.2 million Members. Mr. McNaughton joined IEHP in 2018 as Chief Operating Officer. Prior to IEHP, Mr. McNaughton served in several roles of increasing responsibility in hospitals and large hospital systems, most recently as President of Kettering Medical Center and Executive Vice President of Kettering Health Network in Southwest Ohio which includes eight hospitals and over 11,000 employees. He is an Assistant Clinical Professor at Loma Linda University and a board member for several educational and non-profit agencies.

1: How would you compare and contrast California healthcare with Ohio healthcare based on your experience in both states?

Jarrod McNaughton: When I moved from California to Ohio eight years ago, colleagues shared with me that I’d have a much easier assignment back east compared to the regulated and sometimes hard-to-navigate healthcare world of California. They proved to be correct. In Ohio, if we wanted to move a light switch or electrical outlet in the hospital, our facilities team would work with local fire reviewers for a sign-off and make that happen almost immediately. In California, to move the same switch or outlet, you must have “the plan” reviewed by the Office of Statewide Health Planning & Development (OSHPD), which can sometimes take months to complete coupled with fees and other charges.

In addition, there is very little, if any, true managed care in Ohio as compared to California, which was the father of managed care for the country including capitation and risk arrangements. In some ways the two states literally feel like different countries in the way regulation and policy have been created and how the delivery of care is provided.
2: What person influenced your career in healthcare the most and why?

Jarrod McNaughton: I was greatly influenced by a physician named Dr. Darel Courser. He sponsored my attendance to a private school when I was young. My family migrated to California from Oklahoma during the “Dust Bowl” years and while we worked very hard for everything we had and lived a good life, we were poor. Dr. Courser saw something special in me and said, “I’m going to invest in this kid.” He was an incredible mentor and supporter and really believed one person can make a difference. He passed away a few years ago, but his spirit lives on through a deep calling I have to this work and the belief that one person is all it takes as a catalyst for change.

3: What advice would you give to someone just starting an administrative career in healthcare?

Jarrod McNaughton: My best advice is to remember your why. It’s important to remember why we do what we do. It’s not for shareholder value. It’s distinctly for the purpose of caring for those who need it most. Understand that business should follow care and not the other way around. Have the courage to drive change that improves the lives of members and be prepared to take criticism seriously, but not personally. Finally, find a mentor. I have been so fortunate to have incredible mentors from high school forward who invested in me, believed in me and saw potential. It can make such a difference being coached and encouraged by someone who has no bias or agenda other than your success.

4: What are some relatively unique challenges for California healthcare going forward?

Jarrod McNaughton: We’re in a unique health care season in California and across the nation. Particularly in California the state’s new CalAIM waiver proposal is very exciting and arguably the most transformative initiative in the history of Medi-Cal. It will take a lot of heavy lifting to fulfill the full dream of CalAIM but it’s the right thing to do for our members and patients. California has chosen to carve-out the pharmacy benefit, which we believe is not in the best interest of our members and the communities we serve. We’ll continue to advocate for the state to re-think their position on the carve-out, something that has not been effective in any state that has tried it.

In addition, we must find innovative and creative ways to increase quality while decreasing costs, something we were charged to do as a managed care organization. Finally, I hope to see a more collegial and partnership-minded approach to solving issues on the front lines and in our communities. Health plans can take such a proactive role in being the convener for their communities, something that IEHP has had a wonderful history of.

5: What are the big issues facing the Medi-Cal program as we enter a new decade?

Jarrod McNaughton: DHCS is demanding greater accountability and transparency in Medi-Cal, something our team wholeheartedly supports. We must do a better job at connecting members to the care and services they need while supporting our provider community to deliver exceptional care to their patients. Pressures will continue to push providers and plans into delivering better value for money spent. Providers and members must also become more engaged in increasing quality while managing costs. Now more than ever, it behooves us across the continuum (payers, providers, health care systems) to find ways to come together and be the voice of the patient and member.