



**Joint Legislative Committee for Unified Long-Term Services and Supports  
Testimony of John McCarthy, Medicaid Director  
Office of Medical Assistance, Ohio Department of Job and Family Services  
May 28, 2013**

Thank you Chairman McClain, Chairwoman Jones and members of the Joint Legislative Committee for Unified Long-Term Services and Supports for the opportunity to testify today. I am John McCarthy, Ohio's Medicaid Director.

As you know, Ohio's plan to create an Integrated Care Delivery System was approved by the Centers for Medicare and Medicaid Services (CMS) in December of last year. In turn, Ohio became just the third state to finalize an agreement with CMS on the implementation of a Medicare-Medicaid integration demonstration, and only the second state to pursue a managed care model of care for this population.

Considerable progress has been made. First, our managed care partners received the preliminary Medicare capitation rates last week. The plans now have both the Medicare and Medicaid capitation rates, which will allow them to continue to negotiate and finalize contracts with providers and complete their networks. Second, OMA received the draft of the three way contracts a few weeks ago and have been actively reviewing it. Third, the first phase of the joint Medicare and Medicaid readiness review of the plans has begun.

While we have made tremendous progress, today, before this committee, I am announcing a new implementation date for the three-year demonstration. Based on input from the stakeholder community, the desire to ensure that all prospective participants have ample time to be educated about the ICDS, as well as to assure that other major components of the demonstration are ready to go and after consultation with Medicare, Ohio's integrated care delivery system will now launch on March 1, 2014 with the start of voluntary enrollment. I am confident that this will give us added time to work with the federal government and various stakeholders to guarantee a smooth transition for the 114,000 Ohioans expected to be impacted by the new program.

Aside from the new start-up date, I would like to take this time to offer additional information regarding the enrollment process, benefits and care management.

Ohio Medicaid, in conjunction with the members of ICDS Enrollment Workgroup, will develop materials intended to explain the project to the various communities who will be included in and affected by the project. The membership of the enrollment workgroup is comprised of representatives from various advocacy groups – including AARP and the Centers for Independent Living. It also includes the Area Agencies on Aging and representatives of the managed care plans and Ohio Legal Rights.

Also, the Health Transformation Innovation Fund has provided \$4 million for outreach to consumers so they may make informed decisions about choosing a managed care plan. Ohio Medicaid will provide in-person and telephonic opportunities to educate consumers and families about the program. Additionally, the agency will conduct active outreach to consumers who do not select an ICDS plan to facilitate completion of the plan selection process.

Enrollees will be able to opt out of the Medicare part of the program, but would receive all Medicaid payments and services through the ICDS. The enrollment process will encourage and facilitate choice by the individual. Ohio Medicaid's outreach efforts will also include:

- Partnering with community resources, our enrollment broker, OSHIIP, the AAAs and others to reach out to the different communities;
- Conducting regional forums for beneficiaries and providers;
- Providing appropriate educational materials that will supplement and facilitate the outreach process.

Through the Medicare-Medicaid demonstration with CMS, Ohio will develop a care-delivery system that provides the comprehensive coordination of benefits through a full-continuum of care settings. In addition, plans may elect to include supplemental "value-added" benefits in their benefit packages.

Benefits will be comprehensively managed and all individuals enrolled in an ICDS plan will have an assigned, personal care manager. The personal care manager will seek input from the individual, family/caregiver, and providers to assess the needs of the individual. This model promotes a person-centered, culturally sensitive approach to care management.

The managed care plans will be required to evaluate the effectiveness of its care management model and the results of the evaluation will be integrated into the plan's continuous quality improvement program.

Quality measures required by CMS will be used by all demonstration projects. These measures will evaluate access, wellness and prevention, quality of life, care coordination/transitions, behavioral health, and patient experience.

Between now and next March, there is remains no shortage of work to be done. Much of this work will be with CMS regarding next steps, including: contract development, enrollment processes, systems development, capitation rates and outreach and education. My staff and I look forward to continuing our work on this important project.

### **Fiscal Year 2012-2013 Review**

As we are coming to an end of the current biennium I would like to take the opportunity to outline some of the accomplishments the Office of Health Transformation (OHT) and the Health and Human Services (HHS) agencies have achieved over the last two fiscal years. Particularly, I would like to share with you some successes in the areas of home- and community-based services and long term services and supports.

Regarding home- and community-based services, Ohio has recently:

- Expanded the self-directed waiver programs statewide (CHOICES and SELF waivers);
- Harmonized five different home- and community-based services waiver programs;
- Transitioned over 3,400 people to homes in the community through the Money Follows the Person (MFP) HOME Choice waiver;
- Extended the MFP HOME Choice waiver through 2016;
- Created one “front door” to all programs and created affordable housing options across all disability groups through the MFP workgroup;
- Developed and expanded MFP Local Housing and Services Cooperatives, while also increasing accessible housing; and
- Assisted people in leaving institutions so they can obtain employment through the MFP Employment Project.

Among the improvements made to long-term services and supports, Ohio Medicaid helped to:

- Increase rates for Targeted Case Management Services to individuals with intellectual or development disabilities (IDD);
- Implement federal face-to-face encounter requirements for home health visits;
- Authorize certified addiction treatment agencies to administer Vivitrol in the office;
- Broaden the use of Medicaid reimbursed long-acting antipsychotic medications;
- Improved inpatient psychiatric admission prescreening to ensure that proper medical criteria is met and that billing is appropriately administered;
- Implement a new restraint, seclusion and restrictive intervention protocol;
- Tighten criteria under which prior authorization is required for waiver services and to allow for cost caps to be raised when an individual experiences a significant change; and
- Implement uniform rules across HHS agencies to assure vulnerable individuals receive care from providers who have not been convicted of disqualifying offenses.
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I would like to thank my fellow agencies directors and staff for their hard work on these reforms as well as the many others we have accomplished over the last two years. I look forward to continuing our work through the initiatives proposed in the Fiscal Years 2014-2015 budget.

Thank you again for the opportunity to update you on our progress on these important projects. All of the documents mentioned can be found on OHT’s website at:  
[www.healthtransformation.ohio.gov](http://www.healthtransformation.ohio.gov).