

Ohio Health and Human Services 2012 Accomplishments

Governor Kasich created the Office of Health Transformation (OHT) to lead the Administration's efforts to modernize Medicaid, streamline health and human services programs and improve overall health system performance. Using an innovative approach that involves collaboration among multiple state agency partners, the Administration has taken significant steps to improve services to vulnerable Ohioans, reduce costs, increase efficiency and support the Governor's efforts to create jobs and reduce unemployment. Below is a snapshot of these accomplishments in 2012.

IMPLEMENT MEDICAID REFORMS LAUNCHED IN HB 153

Governor Kasich championed comprehensive Medicaid reforms in the Jobs Budget (HB 153) to modernize Ohio's Medicaid program, the health-care entitlement program for 2.2 million low-income Ohioans. The bill included significant new tools to reset Medicaid payment rules to reward value rather than volume, improve the quality of care for Ohio's most vulnerable citizens, reduce costs for taxpayers and ensure the fiscal stability of the Medicaid program. In 2012, the Kasich Administration utilized these tools to drive Medicaid program improvements and deliver savings that were more than \$500 million above previously projected savings levels in the first year of the biennium.

For the full list of Medicaid reforms in the Jobs Budget, see this [report](#). Below is a 2012 progress report on key budget initiatives.

- Integrate Medicare and Medicaid benefits.** The budget bill authorized the Office of Medical Assistance (Ohio Medicaid) to seek approval through the federal Center for Medicare and Medicaid Innovation to design and implement a Medicare-Medicaid Integrated Care Delivery System (ICDS). The goal of the ICDS program is to coordinate a full continuum of benefits for Medicare-Medicaid enrollees, including physical and behavioral health care and long-term services and supports.

Project update: Ohio Medicaid announced in December that it reached an agreement with the federal government on a memorandum of understanding to launch the ICDS, making Ohio only the third state to enter into such an agreement. A proposed three-year demonstration in 29 counties will improve care for approximately 114,000 individuals who are eligible for Medicare and Medicaid, lead to greater efficiency and reduce costs in both programs. ([more info](#))

- Create health homes for people with mental illness.** The budget authorized Ohio Medicaid to design a person-centered system of care, called a health home, to improve care coordination for high-risk beneficiaries. Ohio Medicaid teamed up with the Department of Mental Health (ODMH)

to focus first on creating health homes for Medicaid beneficiaries with serious and persistent mental illness. Care managers will be embedded in Medicaid health homes to provide intensive care coordination and develop an individualized care plan for each consumer that addresses their medical and non-medical needs.

Project update: ODMH and Ohio Medicaid [launched](#) the new health home service in five counties, effective October 1. Ohio will roll out the service in stages throughout the rest of the state, with access to health homes statewide by July 1, 2013. ([more info](#))

- ☑ **Restructure behavioral health system financing.** HB 153 required Ohio to transition the financial responsibility for the non-federal share of Medicaid matching funds for alcohol and drug treatment and mental health benefits from community behavioral health boards to the state, and integrate the benefits previously administered by ODMH and the Department of Alcohol and Drug Addiction Services (ODADAS) into the overall Medicaid program administered by Ohio Medicaid. This move clarifies and aligns responsibility among state agencies and frees up community levy funding, allowing county behavioral health boards to focus on developing and managing non-Medicaid community services and supports.

Project update: The Administration assumed responsibility for Medicaid payments starting July 1, 2011. This move freed up levy resources for alcohol, drug addiction and mental health (ADAMH) boards in the current biennium and eliminated future Medicaid exposure in the coming years. Also, in July, Ohio Medicaid assumed responsibility for paying provider claims for \$623 million in behavioral health services—instead of funding these services separately from the ODMH and ODADAS budgets—creating more funding flexibility to coordinate between physical and behavioral health programs. With these changes, Ohio Medicaid now manages Medicaid community behavioral health services, ODMH provides hospital services and treatment for civil and forensic patients, and community behavioral health boards focus on non-Medicaid, community-based services and supports. ([more info](#))

- ☑ **Improve Medicaid managed care plan performance.** Currently, more than 1.6 million people who are enrolled in Medicaid receive care through a managed-care plan. The budget set in motion a series of improvements in Medicaid managed care that will improve care coordination for Medicaid beneficiaries and allow Medicaid to pay for value, not volume, in managed care.

Project update: In January, Ohio Medicaid released a request for applications from qualified health plans, the first step in implementing new Medicaid managed care provider agreements. The new agreements will reduce the number of service regions from eight to three and combine coverage for families and children (CFC) and aged, blind and disabled (ABD) populations. As a result, Medicaid beneficiaries will have more choices because larger service regions will support more plans per region. Larger service regions also will deliver program efficiencies envisioned in HB 153 by allowing plans to spread administrative costs across more individuals. The bottom line is more choice for Ohioans, more competition among plans, and savings for Ohio taxpayers.

New contract language, based on model health plan contract language created by Catalyst for Payment Reform, will move the plans from paying for volume to paying for value. To accomplish this, managed care plans will be required to develop incentives for providers that are tied to improving quality and health outcomes for enrollees. Additionally, the new contracts will increase expectations around nationally recognized performance standards the plans must meet to receive financial incentive payments. Enrollment in the newly selected plans is expected to begin in March 2013 with coverage beginning in July 2013. ([more info](#))

- ☑ **Rebalance long-term services and supports.** The budget made a significant investment in home- and community-based services for seniors and people with disabilities. All told, the budget allocated \$532 million more for home- and community-based services over the biennium (above SFY 2011 levels). The bill also required the creation of a unified budget for long-term care services for seniors and people with physical disabilities, expansion of waiver services for people with developmental disabilities and the consolidation of Medicaid programs for people with disabilities in the Department of Developmental Disabilities (DODD), eliminating barriers that keep people from accessing services they need in the settings they prefer.

Project update: The changes in HB 153 have improved access into and within the service delivery system, provided consistent opportunity for individual choice and achieved greater transparency in price and quality for individuals who need long-term care services. Seniors now have access to services in their homes or in a community-based setting, with no waiting lists for waiver services. DODD has fully assumed the administration of institutional and home- and community-based developmental disability services, improving the ability for individuals to transition smoothly from developmental centers or other institutional settings into other supportive programs. DODD has added services to the Individual Options (IO) waiver to give Ohioans with developmental disabilities more choices regarding the support they receive for daily living needs. DODD has also created a new self-directed waiver, called SELF, for individuals with developmental disabilities. Enrollment in the new [SELF waiver](#) began in July. ([more info](#))

- ☑ **Reform nursing facility payments.** The budget completed the transition from a cost-based payment methodology for nursing homes to a price-based system, a change that was initiated by the legislature in 2005 (HB 66) to reward efficiency. Additional nursing home payment reforms in HB 153 link more of the Medicaid payment to quality measures and increase the amount of funding for services provided directly to residents. The bill also enacted common-sense regulatory-reform provisions that will provide nursing facilities with greater flexibility in how they provide care, while increasing the focus on quality. The final budget reduced nursing facility rates 5.8 percent on average in 2012, providing a savings of \$360 million that was invested in home- and community-based alternatives.

Project update: A subcommittee of the Unified Long-Term Care System Advisory Workgroup, chaired by the Office of Health Transformation, developed research-based quality measures and a methodology for linking almost \$300 million of what Ohio pays nursing homes directly to practices

that are proven to improve care for Ohio's seniors and people with disabilities. These recommendations, which were adopted by the General Assembly in SB 264, have increased the amount of nursing homes' Medicaid reimbursement rate that is tied to quality from 1.7 percent to 9.7 percent beginning in July. The Office of the State Long-Term Care Ombudsman worked with experts to develop an [online resource](#) to help nursing facilities implement the quality incentives and give consumers the tools to expect excellence. A separate subcommittee has developed [recommendations](#) on reimbursement and capacity issues for consideration in the next budget. ([more info](#))

- ☑ **Improve care for children and pregnant mothers.** The budget allows children and pregnant women to receive temporary Medicaid coverage so that they can obtain medical care while their Medicaid application is being officially processed. HB 153 also recognized new qualified entities that may establish Medicaid (presumptive) eligibility. By simplifying the eligibility and enrollment processes, and including additional points of access for children and pregnant women, better medical attention will be provided in the early stages of life when intervention is the most successful.

Project update: Ohio launched the Medicaid presumptive eligibility initiative in June in three pilot locations (MetroHealth in Cleveland, Nationwide Children's Hospital in Columbus and the Community Action Committee of Pike County). Through early November, more than 400 children and pregnant women had been served. The Administration is working with the federal government to obtain approval to implement the program statewide. This initiative will improve health outcomes for children and pregnant women and reduce Medicaid expenditures. ([more info](#))

IMPROVE OVERALL HEALTH SYSTEM PERFORMANCE

Ohio ranks 37 among states in health outcomes despite spending more per person on health care than all but 17 states. When Governor Kasich created the Office of Health Transformation, he tasked the Office with engaging public- and private-sector partners to improve Ohio's overall health system performance. The Administration has taken a series of steps in 2012 to align public and private health-care purchasing power and health-care delivery systems to provide more value for what Ohioans spend on health care and help Ohioans live healthier lives.

- ☑ **Pay for health care based on value not volume.** The Administration has launched a series of initiatives to improve overall health-system performance through payment innovation. In January, [Ohio joined Catalyst for Payment Reform](#), an independent, national non-profit organization that leverages the collective strength of private- and public-sector health-care purchasers to achieve better value and quality in health care. In September, the Administration applied for a federal [State Innovation Model \(SIM\) design grant](#) to redesign health-care payment systems to reward the value of care provided to individuals, not the volume. The SIM grant is well-timed for Ohio to build on its accomplishments to date and further engage other public- and private-sector partners to design and implement new payment and delivery systems that signal powerful expectations for better care. The federal government is expected to announce the SIM grant awards in early 2013. ([more info](#))

- ☑ **Lead statewide transition to patient-centered medical homes.** In January, the Department of Health (ODH) and the Office of Health Transformation announced that Ohio would invest \$1 million to assist primary health-care practices around the state transition to a patient-centered medical home (PCMH) model of care and expand the number of PCMH practice sites in Ohio. The PCMH model of care promotes partnerships between patients and their primary health-care providers to improve care coordination, bolster individuals' health outcomes, and reduce health-care costs. As of November, 182 practices were officially recognized as PCMH practices in Ohio. ([more info](#))

- ☑ **Invest in transformational programs.** Ohio has invested \$15.5 million it has received for increasing enrollment and retention of eligible children in Medicaid to seed innovative projects that will improve health outcomes throughout the state, such as implementing Medicaid presumptive eligibility for pregnant women and children and improving early identification and intervention for individuals with autism spectrum disorders. See the [full list of projects](#).

- ☑ **Reduce infant mortality.** ODH is leading a [collaborative effort to reduce infant mortality in Ohio](#). In late November, the department convened Ohio's first statewide summit on infant mortality, drawing nearly 1,000 advocates to develop and refine strategies to make measurable improvements in the rate of pre-term births and infant deaths. ODH was also recognized in 2012 with the *Vision Award* from the Association of State and Territorial Health Officials for a "39-week" project it led in conjunction with the Ohio Perinatal Quality Collaborative. As a result of the project, nearly 26,000 babies that would have been delivered at 36-38 weeks were delayed to 39 weeks, representing an increase of 8 percent in full-term deliveries. The state has also invested significant resources in [reducing the incidence of low-weight babies](#).

- ☑ **Increase employment opportunities for people with developmental disabilities.** In March, Ohio launched the Employment First Initiative to increase meaningful employment opportunities for individuals with developmental disabilities. Governor Kasich issued an executive order making community employment the preferred and priority outcome for working-age adults with developmental disabilities. The executive order also created the Employment First Task Force to review policies and programs and make recommendations for increasing community employment opportunities. In addition, the Governor's mid-biennium review legislation paved the way for additional opportunities by requiring all state agencies affecting developmental disability services and programs to align policies for supporting community employment. The bill required individual education plans for youth with developmental disabilities to include strategies for preparing for community employment after school. ([more info](#))

- ☑ **Improve early diagnosis and intervention for people with autism.** DODD, in conjunction with the Ohio Center for Autism and Low Incidence, provides training for autism early intervention and autism therapy to employees of county boards of developmental disabilities. The training is part of a pilot program called Play and Language for Autistic Youngsters (PLAY), a relationship-based therapy program that emphasizes helping parents become their child's best PLAY partner. PLAY

empowers parents to have access to effective, family-focused and affordable therapy and intervention for young children with autism, which will help children with autism connect, communicate and build relationships with others. DODD expanded the use of PLAY to families in 55 counties in 2012, with a goal of expanding to all 88 counties by 2014. In addition, the state's Health Transformation Innovation Fund provided a total of \$1.325 million for autism projects, including an autism diagnosis education project and PLAY, in 2012. ([more info](#))

In December, [Governor Kasich announced two policy changes](#) that will allow children with autism and their families to receive needed services via health insurance sold on the private market, through the upcoming federally mandated health insurance exchange and in state employee plans.

- ☑ **Support Ohio veterans.** The Ohio Department of Aging (ODA), the Ohio Department of Veterans Services and the U.S. Veterans Administration (VA) initiated three partnerships to support the needs of Ohio veterans, including embedding a Healthy U chronic disease self-management program within five VA Medical Centers, supporting establishment of veterans-directed home- and community-based services (VD-HCBS) between area agencies on aging and VA medical centers in southern and northwest Ohio, and securing funds to help expand the VD-HCBS program to better serve veterans and their caregivers through aging and disability resource centers.
- ☑ **Promote the use of medication-assisted treatment.** ODADAS developed and distributed [guidelines for the use of medication-assisted treatment](#) to all publicly-funded addiction treatment agencies to improve long-term recovery for opiate addiction.
- ☑ **Form a new partnership to fight problem gambling.** ODADAS partnered with the Lottery, Racing, and Casino Control Commissions to form [Ohio for Responsible Gambling \(ORG\)](#), an initiative dedicated to the prevention and treatment of problem gambling.
- ☑ **Fight opiate abuse.** The HHS agencies have played a significant role in the Administration's efforts to fight opiate abuse. Thanks in part to these efforts and the passage of HB 93, Ohio has closed pill mills and reduced the amount of pills prescribed to residents of targeted southern Ohio counties by as much as 15 percent.
 - Ohio has created new Opiate Task Forces in 23 counties to provide community education and work toward prevention of opiate addiction and overdose deaths.
 - ODADAS and the Ohio Association of County Behavioral Health Authorities developed and launched the [Don't Get Me Started](#) campaign to educate Ohioans about the dangers of opiate painkiller addiction and overdose. The campaign delivered more than 30,000 visits to its online ads and Website and 45 million social media impressions.
 - The Professional Education Workgroup of the Governor's Cabinet Opiate Action Team, which is co-chaired by ODH and ODA, adopted statewide prescribing guidelines for emergency departments and created a [Website](#) to provide promotional materials, including a pocket-size card, background documents and a guideline FAQ. The new guidelines and outreach materials will save lives and help reduce the scourge of opiate abuse.

- ☑ **Actively engage diverse stakeholders in creating solutions.** Over the past two years, the Office of Health Transformation has achieved a high level of stakeholder participation in health transformation. More than 3,500 Ohioans have signed up to follow Office of Health Transformation activities through regular email updates. Stakeholder input significantly influenced the final design of the Medicare-Medicaid ICDS system, Medicaid health homes for people with serious mental illness and ongoing efforts to create patient-centered medical homes. Sister HHS agencies have also implemented robust stakeholder outreach and communication activities.

STREAMLINE HEALTH AND HUMAN SERVICES

Ohio health and human services policy, spending and administration are split across multiple state and local government jurisdictions. Governor Kasich has challenged state and local leaders to think creatively and find new and better ways to deliver services. In addition to the reforms in HB 153, the Kasich Administration has taken a series of steps in 2012 to share services in a way that improves customer service, increases program efficiencies and reduces costs for taxpayers.

- ☑ **Modernize eligibility determination systems.** Current eligibility processes for health and human services in Ohio are fragmented, overly complex and rely on outdated technology. For example, Ohio uses more than 150 categories and two separate processes to determine Medicaid eligibility. This results in duplication, inefficiency and excessive cost for state and local governments to operate Medicaid and other health and human service eligibility programs.

The Office of Health Transformation initiated an eligibility modernization project to simplify client eligibility based on income, streamline state and local responsibility for eligibility determination and modernize eligibility systems technology. These actions will improve the consumer experience and significantly reduce the costs associated with the eligibility-determination processes, particularly those that rely on information technology. Ohio is on schedule to design and implement a new system by 2014. ([more info](#))

- ☑ **Restructure HHS agency operations.** Governor Kasich is committed to creating a health and human services governance structure that maximizes efficiency and productivity. In July, the Kasich Administration announced plans to [transform Ohio Medicaid into a state agency](#). In May, the Governor announced that the departments of Mental Health and Alcohol and Drug Addiction Services would be [combined into a single state agency](#). Both moves will improve the level of services that the agencies will provide to their customers and to taxpayers. A package of legislative changes to transition to the new structure will be proposed in the 2014-2015 operating budget.
- ☑ **Update life and safety code to make nursing homes more like home.** ODA partnered with the Department of Commerce and ODH to change the Ohio building and mechanical code to support person-centeredness in nursing facilities. Ohio's proposed building code updates align with National Fire Protection Association recommendations and will allow facilities to apply for a CMS waiver in order to make environments for residents more like home.

- ☑ **Create performance incentives for PASSPORT administrative agencies (PAAs).** Facing a growing demand for long-term care services and supports, ODA initiated a series of performance-based financial incentives for PAAs. Together, ODA and PAAs identified activities for which PAAs could earn financial incentives by meeting specified goals and further rebalance the percentage of individuals who receive long-term care services in the community.
- ☑ **Improve state mental health hospital care.** ODMH’s hospital services division established a System of Care program to better align clinical and administrative practices among Ohio’s six state-run free-standing psychiatric hospitals. The team released a work plan in December 2011 that identified opportunities to improve clinical and administrative outcomes in seven priority areas, which the department has been implementing throughout 2012. ([more info](#))
- ☑ **Create a strategic improvement plan for ODH.** ODH finalized its strategic plan in early December. The plan incorporates the priorities identified in the State Health Improvement Plan and those priorities established by federal funders. After analyzing feedback from internal conversations and from a survey sent to external stakeholders, ODH has identified seven focus areas for the next 24 months: *Access to Care, Prevention & Wellness, Infrastructure, Funding & Grants, Technology & Data, Marketing & Communications* and *Collaboration & Building Relationships*. These focus areas form the foundation for all of ODH’s public health decisions and activities moving forward.
- ☑ **Control RSC costs.** Governor Kasich signed Executive Order 2012-16K on September 26, authorizing the Rehabilitation Services Commission (RSC) to implement a fee schedule for providers of vocational rehabilitation services. The fee schedule, which went into effect in October, will help RSC control costs and provide more services for the taxpayer dollars it receives. The agency also saved \$1.2 million in rent payments by embedding staff in the communities they serve. In addition to making more efficient use of resources, this change improves program performance by allowing counselors to be in more direct contact with individuals they serve.
- ☑ **Reduce RSC wait lists and provide fast and efficient service.** Since 2011, RSC has released 8,000 people from its waiting lists for services, and the number of individuals on its waiting lists continues to drop every month. In addition, Ohio RSC processed the most cases in the six-state region in 2012. The agency accomplished this with 8 percent fewer resources (total budget and staff) than it had in the previous fiscal year.
- ☑ **Fight fraud.** RSC’s fraud-detection unit ranked second in the nation identifying fraud and recovering funds, saving SSA and non-SSA programs \$39.7M in FFY 2012.

IMPROVE HHS PROGRAM PERFORMANCE VIA THE MID-BIENNIUM REVIEW

Barriers to innovation are prevalent in health and human services, where policy, spending and administration are split across five state agencies that administer Medicaid and at least 14 that administer other health and human services. The Governor’s mid-biennium review (MBR) of state

programs provided an opportunity for the HHS agencies to identify new and better ways to deliver services and eliminate barriers to innovation. More than 50 initiatives to streamline and improve HHS program performance were included in MBR legislation (HB 487 and SB 316) and became law in 2012.

For the full list of HHS reforms in the MBR, see this [report](#). Below are some highlights.

- ☑ **Protect individuals in home- and community-based services.** The Administration identified gaps and inconsistencies in statutes and regulations governing criminal background checks and disqualifying criminal convictions for workers providing home-health and waiver-transportation services under the Medicaid program. HB 487 language and subsequent changes to administrative rules will close these gaps to protect individuals receiving home- and community-based services from harm.
- ☑ **Target regional "hot spots" in mental health service capacity.** The Administration provided \$3 million in additional resources to fund community mental health services that will create better outcomes through collaboration and coordinated care for high-cost and difficult-to-serve populations. The funding will be distributed through a new approach that targets "hot spots" in the system and rewards innovation and collaboration at the local level. This consumer-focused approach has earned the support of advocates representing consumers and families.
- ☑ **Fight addiction to opiates and other drugs.** During the MBR process, the Kasich Administration worked closely with key stakeholders to identify and target specific "hot spots" related to addiction treatment. As a result of this review, more than \$17 million in additional state and federal funding was made available for addiction treatment services in communities throughout the state.
- ☑ **Accelerate the adoption of electronic health information exchange.** Current state privacy law in some cases applies standards for information sharing that are inconsistent with the federal law, impeding electronic health information exchange (HIE). Information sharing through HIEs will improve health outcomes for individuals and lay the foundation for price and quality transparency. HB 487 harmonizes state law with the standards adopted in the federal HIPAA privacy rule with respect to individual access to protected health information, proper safekeeping of protected health information and the use and disclosure of protected health information and will speed the adoption of HIEs in Ohio.
- ☑ **Pay for performance in hospitals.** The Administration worked closely with hospitals during the budget process to adopt payment reforms for Medicaid inpatient hospital reimbursement. HB 487 expanded this effort by linking some of the funds in the hospital reimbursement pool to meeting or exceeding new quality benchmarks. This pay-for-performance initiative will ensure that available funds are distributed to hospitals and promote better health outcomes for individuals in hospital settings.

☑ **Improve local public health services.** The MBR legislation established the Legislative Committee on Public Health Futures and charged it with developing recommendations for legislative and fiscal policies to improve public health services in Ohio. Those policy recommendations will be considered as part of the state operating budget for the upcoming biennium. The Committee submitted a [final report](#) to the legislature on October 31.

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