



Governor's Office of
Health Transformation

The Path of Innovation: Meaningful Use and Beyond

Greg Moody, Director
Governor's Office of Health Transformation

Meaningful Use and Health Care Innovation Conference
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Ohioans spend more per person on health care than residents in all but 13 states¹

Rising health care costs are eroding paychecks and profitability

Higher spending is not resulting in higher quality or better outcomes for Ohio citizens

41 states have a healthier workforce than Ohio²



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Sources: (1) Kaiser Family Foundation State Health Facts (March 2011), (2) Commonwealth Fund 2009 State Scorecard on Health System Performance

Medical Hot Spot: Per Capita Health Spending: Ohio vs. US

Measurement	US	Ohio	Percentage Difference	Affordability Rank (Out of 50 States)
Total Health Spending	\$5,283	\$5,725	+ 8%	37
Hospital Care	\$1,931	\$2,166	+ 12%	38
Physician/Clinical	\$1,341	\$1,337	- 0.3%	27
Nursing Home Care	\$392	\$596	+ 52%	45
Home Health Care	\$145	\$133	- 8.3%	35

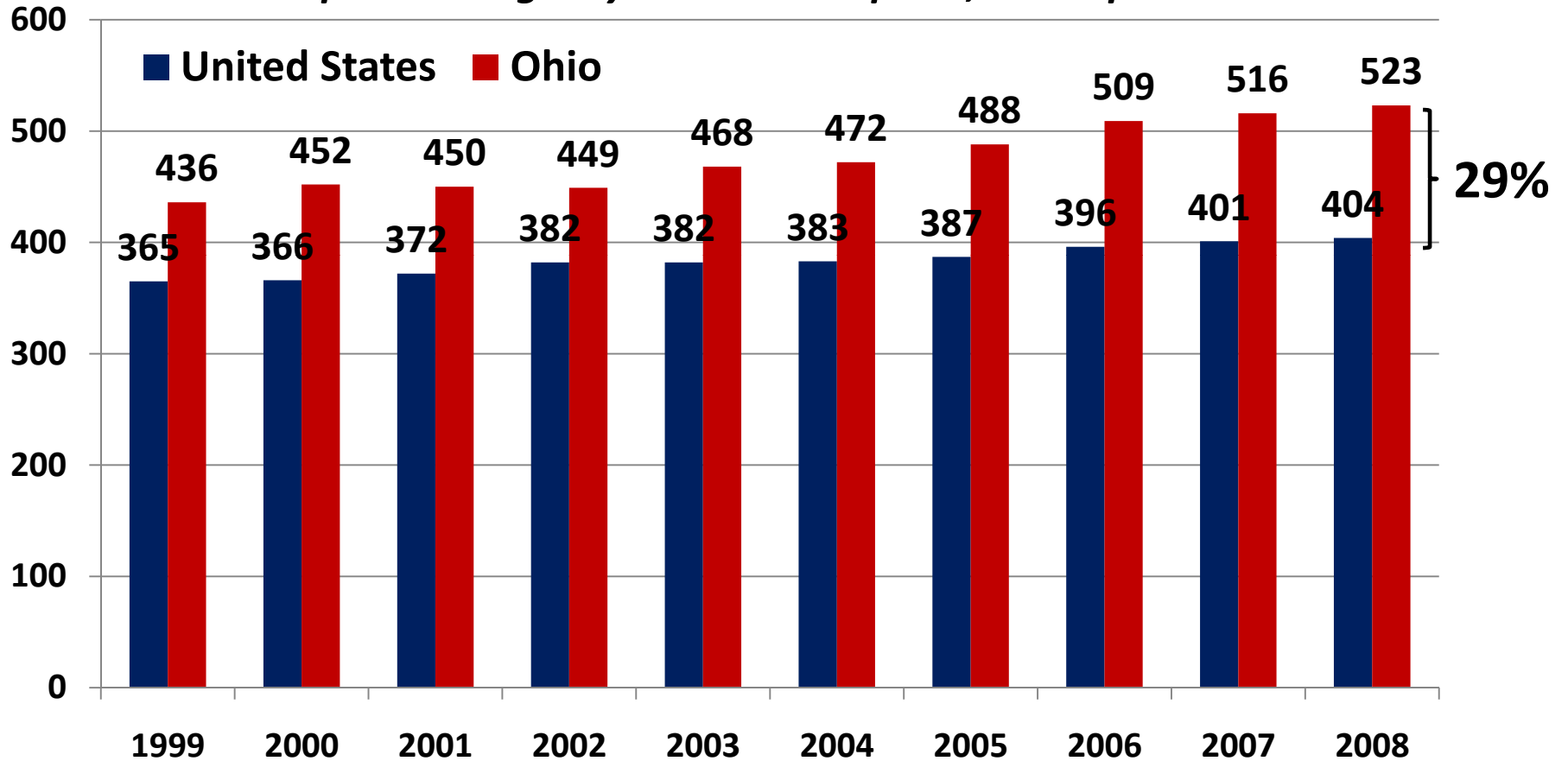


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Source: 2004 Health Expenditure Data, Health Expenditures by State of Residence, Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group, released September 2007; available at <http://www.cms.hhs.gov/NationalHealthExpendData/downloads/res-us.pdf>

Medical Hot Spot: Emergency Department Utilization: Ohio vs. US

Hospital Emergency Room Visits per 1,000 Population



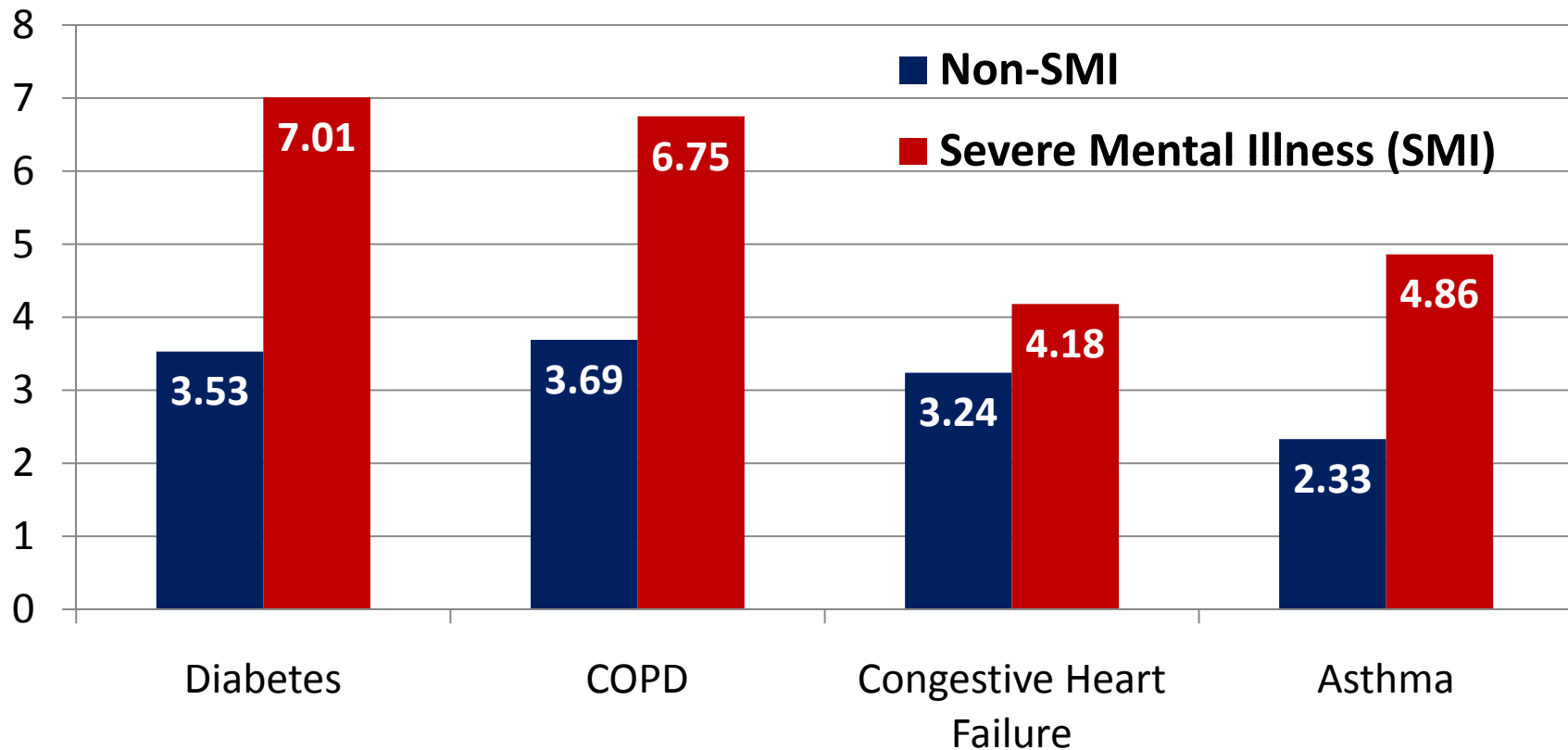
Source: American Hospital Association Annual Survey (March 2010) and population data from Annual Population Estimates, US Census Bureau: <http://www.census.gov/popest/states/NST-ann-est.html>.



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Medicaid Hot Spot: Hospital Admissions for People with Severe Mental Illness

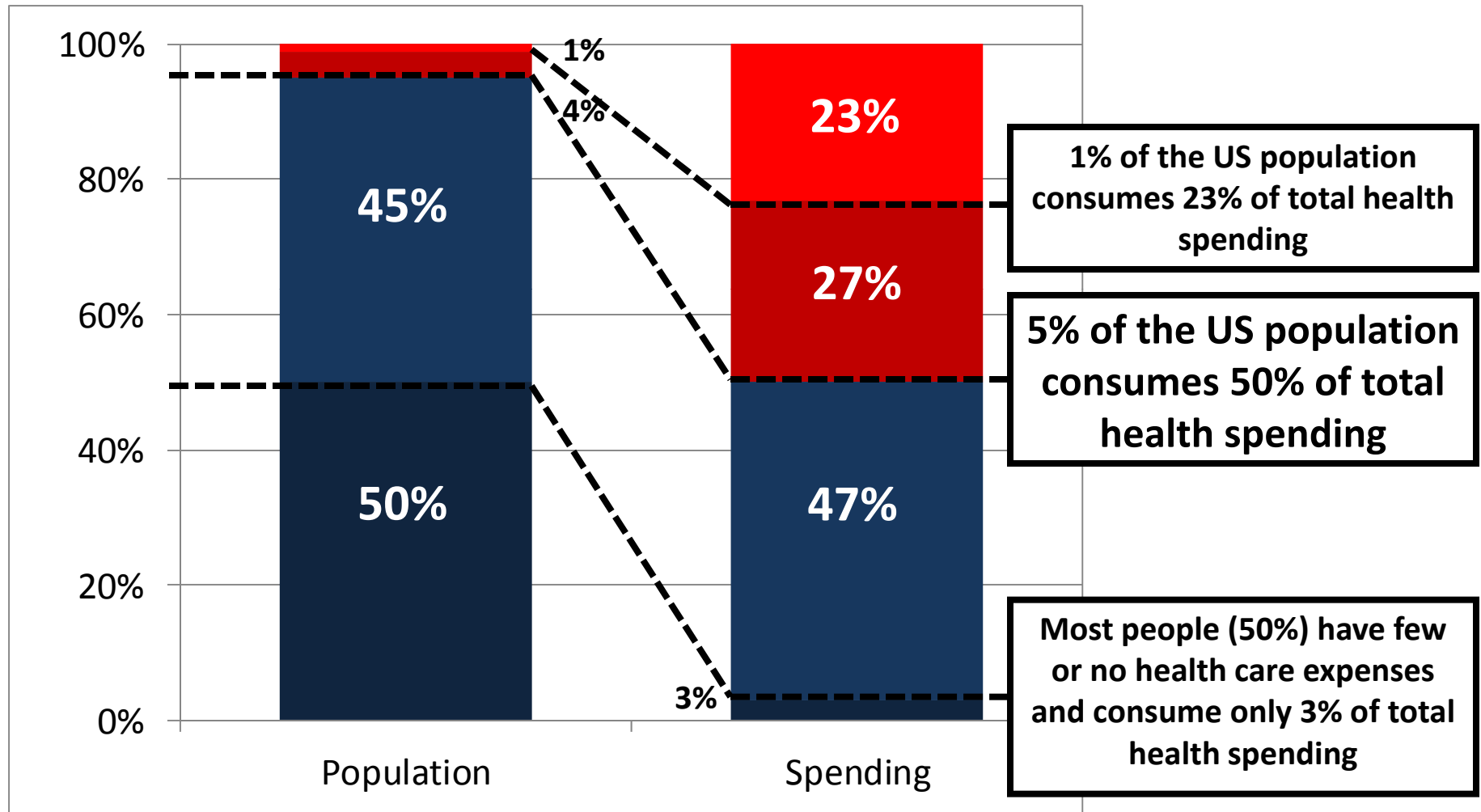
Avoidable hospitalizations per 1000 persons for ambulatory care sensitive conditions (avoidable with proper treatment)



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Source: Ohio Colleges of Medicine Government Resource Center and Health Management Associates, Ohio Medicaid Claims Analysis (February 2011)

Medical Hot Spot: A few high-cost cases account for most health spending



Health Care System Choices

Fragmentation	vs. Coordination
<ul style="list-style-type: none">• Multiple separate providers• Provider-centered care• Reimbursement rewards volume• Lack of comparison data• Outdated information technology• No accountability• Institutional bias• Separate government systems• Complicated categorical eligibility• Rapid cost growth	<ul style="list-style-type: none">• Accountable medical home• Patient-centered care• Reimbursement rewards value• Price and quality transparency• Electronic information exchange• Performance measures• Continuum of care• Medicare/Medicaid/Exchanges• Streamlined income eligibility• Sustainable growth over time



Our Vision for Better Care Coordination

- The vision is to create a person-centered care management approach – not a provider, program, or payer approach
- Services are integrated for all physical, behavioral, long-term care, and social needs
- Services are provided in the setting of choice
- Easy to navigate for consumers and providers
- Transition seamlessly among settings as needs change
- Link payment to person-centered performance outcomes





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Current Initiatives

Modernize Medicaid

- [Reform nursing facility reimbursement](#)
- [Integrate Medicare and Medicaid benefits](#)
- [Expand and streamline home and community based services](#)
- [Create health homes for people with mental illness](#)
- [Restructure behavioral health system financing](#)
- [Improve Medicaid managed care plan performance](#)
- [Provide accountable care for children](#)

Streamline Health and Human Services

- [Share information across state and local data systems](#)
- [Modernize eligibility determination systems](#)
- [Accelerate adoption and use of Health Information Technology](#)
- [Integrate claims payment systems \(coming soon\)](#)

Improve Overall Health System Performance

- [Encourage Patient-Centered Medical Homes](#)
- [Standardize performance measurement and public reporting \(coming soon\)](#)
- [Reform the health care delivery payment system \(coming soon\)](#)

Recently Added

[Concept Paper: Ohio Medicaid Unified Waiver](#)

[Concept Paper: Integrated Care Delivery System for Medicare and Medicaid](#)

[Press Release: Ohio Medicaid Joins Catalyst for Payment Reform](#)

[Request for Applications: Ohio Medicaid Managed Care Plans](#)

Related Topics

[Strategic Framework](#)

[Guiding Principles](#)

[Chartbook and Fact Sheets](#)

[Accomplishments](#)

Ohio Health Transformation Priority 2011: **Modernize Medicaid**

- Improve Medicaid managed care plan performance
- Encourage Patient-Centered Medical Homes
- Create health homes for people with mental illness
- Integrate Medicare and Medicaid benefits
- Expand home and community based services
- Improve Medicaid managed care plan performance

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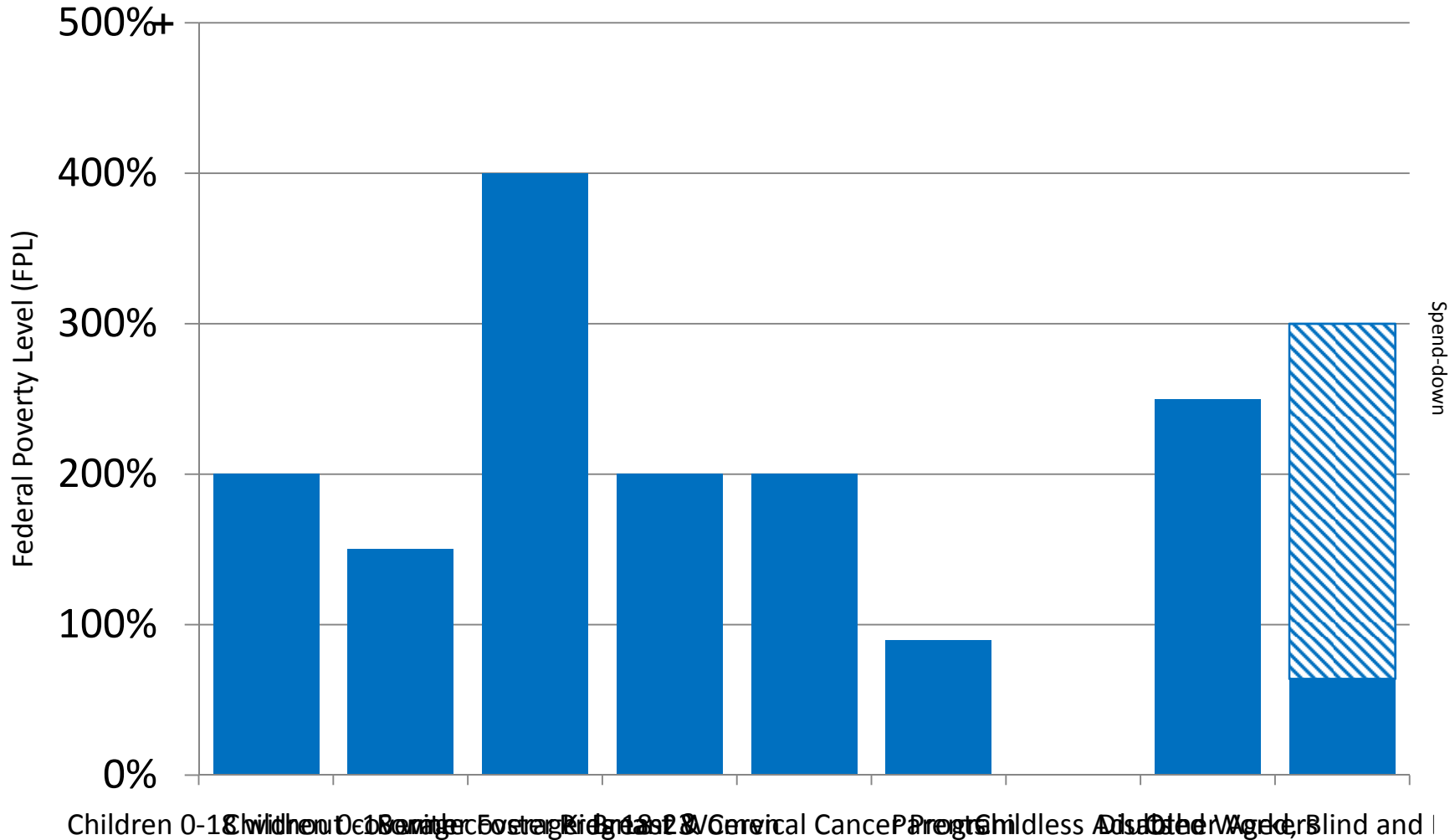
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SOURCE: House Bill 153, State of Ohio Operating Budget (enacted June 2011)

Don't let the fear of failure
prevent you from taking the
risk necessary to innovate.

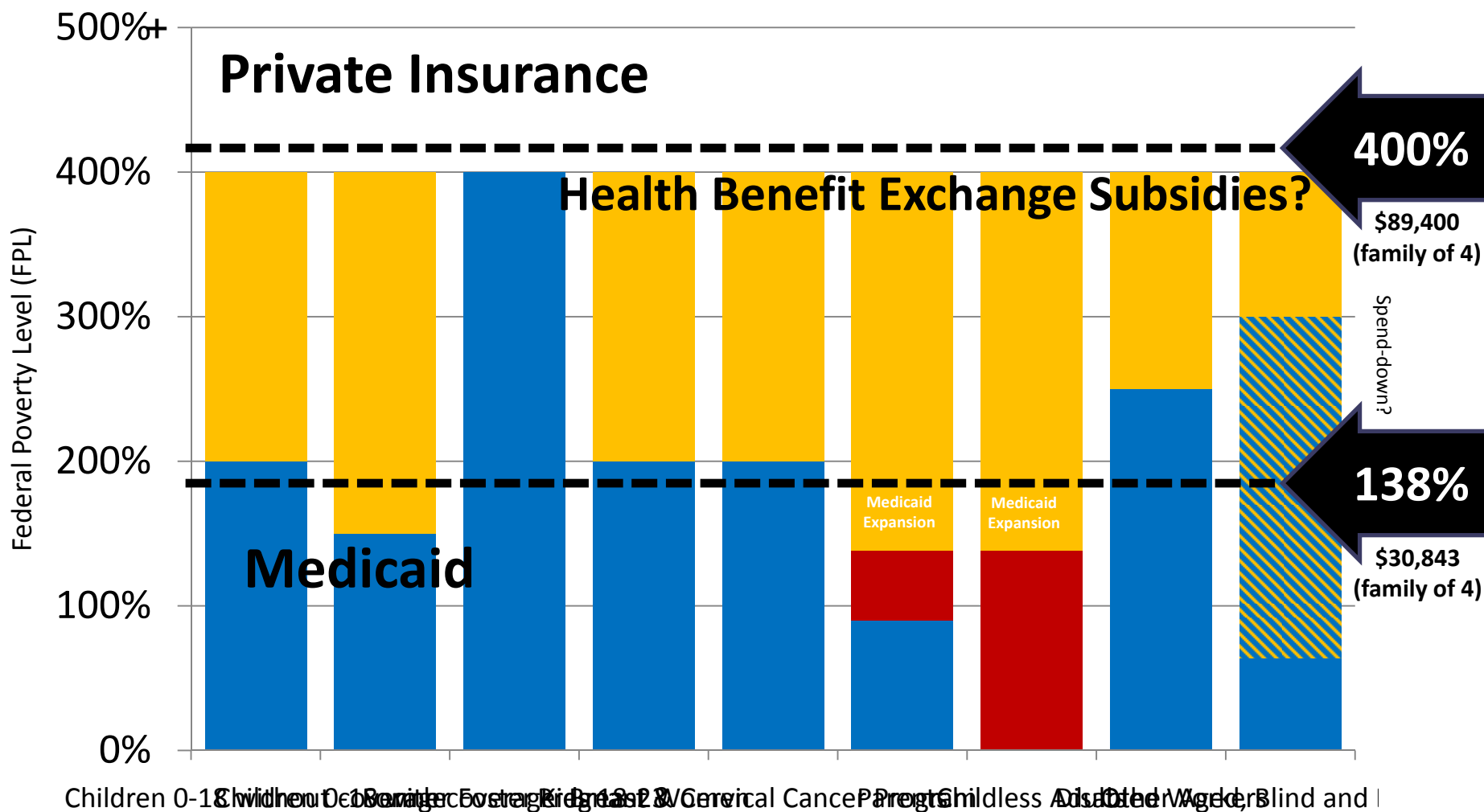
— Governor John Kasich

Eligibility Modernization: Current Ohio Medicaid Income Eligibility Levels



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Eligibility Modernization: New Federal Income Eligibility Levels in 2014



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Health Transformation Priority 2012: **Streamline Health and Human Services**

- Modernize eligibility determination systems
- Share information across state/local data systems
- Integrate claims payment systems
- Plan Ohio's health insurance exchange
- Accelerate electronic health information exchange

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Accelerate Electronic Health Information Exchange

- Elevate statewide HIE policy to OHT
- Establish the state's HIT/HIE coordinator role in OHT
- Build on Ohio's success in EMR adoption
- Clarify Ohio privacy law
- Link meaningful use to practice transformation
- Extend meaningful use to other providers
- Make public health a trading partner
- Create a core state informatics team

How can the State of Ohio leverage its purchasing power to improve overall health system performance?

Five Health Plans Cover 83% of Insured Ohioans

Health Plan	Total Ohio Enrollment	Percent of Total
Wellpoint	3,370,000	42%
UnitedHealthcare	1,080,000	13%
CareSource	840,000	10%
CIGNA	750,000	9%
Medical Mutual	600,000	8%
Other	1,360,000	17%
Total	8,000,000	100%

Notes: "Total Ohio Enrollment" includes individual, small and large group, self-insured, and Medicaid managed care markets



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Source: Milliman Inc. prepared for the Ohio Department of Insurance (August 31, 2011) and Ohio Medicaid managed care enrollment reports (October 2011)

Ohio's Top Employers

Rank	Company	Estimated Ohio Employment	Headquarters
1	Wal-Mart	52,275	Bentonville, AR
2	Cleveland Clinic	39,400	Cleveland, OH
3	Kroger	39,000	Cincinnati, OH
4	Catholic Health Partners	30,300	Cincinnati, OH
5	Ohio State University	28,300	Columbus, OH
6	Wright-Patterson	26,300	Dayton, OH
7	University Hospitals	21,000	Cleveland, OH
8	JP Morgan Chase	19,500	New York, NY
9	Giant Eagle	17,000	Pittsburgh, PA
10	OhioHealth	15,800	Columbus, OH
11	Meijer	14,400	Grand Rapids, MI
12	Premier Health Partners	14,070	Dayton, OH



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Health Transformation Priority: Improve Overall Health System Performance

- Standardize performance measurement
- Publicly report performance
- Reform the health care delivery payment system
- Support regional innovation in payment reform

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Catalyst for Payment Reform (CPR)

- Coordinate payment reform among purchasers to signal powerful expectations for better care
- 3M, Boeing, CalPERS, Delta, Dow, eBay, Equity, FedEx, GE, Intel, Marriott, Safeway, Verizon, Wal-Mart, Xerox
- Work on shared agenda to increase the proportion of payments designed to cut waste or reflect performance
- Ohio is the first state Medicaid program to join CPR
- Medicaid included CPR model contract language in its January 2012 managed care procurement

What will deliver better health for Ohioans and cost savings for Ohio businesses?

- Patient-Centered Medical Homes?
- Health Homes?
- Accountable Care Organizations?
- Managed Care Organizations?
- P4P or Bundled Payments or Global Payments?
- Market Competition?
- Other innovations?

Ohio

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Thank you.

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