



**Governor's Office of
Health Transformation**

Health Care Transformation: Surfing the Waves of Reform

Ohio Association of Health Plans 2011 Annual Conference
May 25, 2011

Ohio's Health System Performance

Health Outcomes – 42nd overall¹

- 42nd in preventing infant mortality (only 8 states have higher mortality)
- 37th in preventing childhood obesity
- 44th in breast cancer deaths and 38th in colorectal cancer deaths

Prevention, Primary Care, and Care Coordination¹

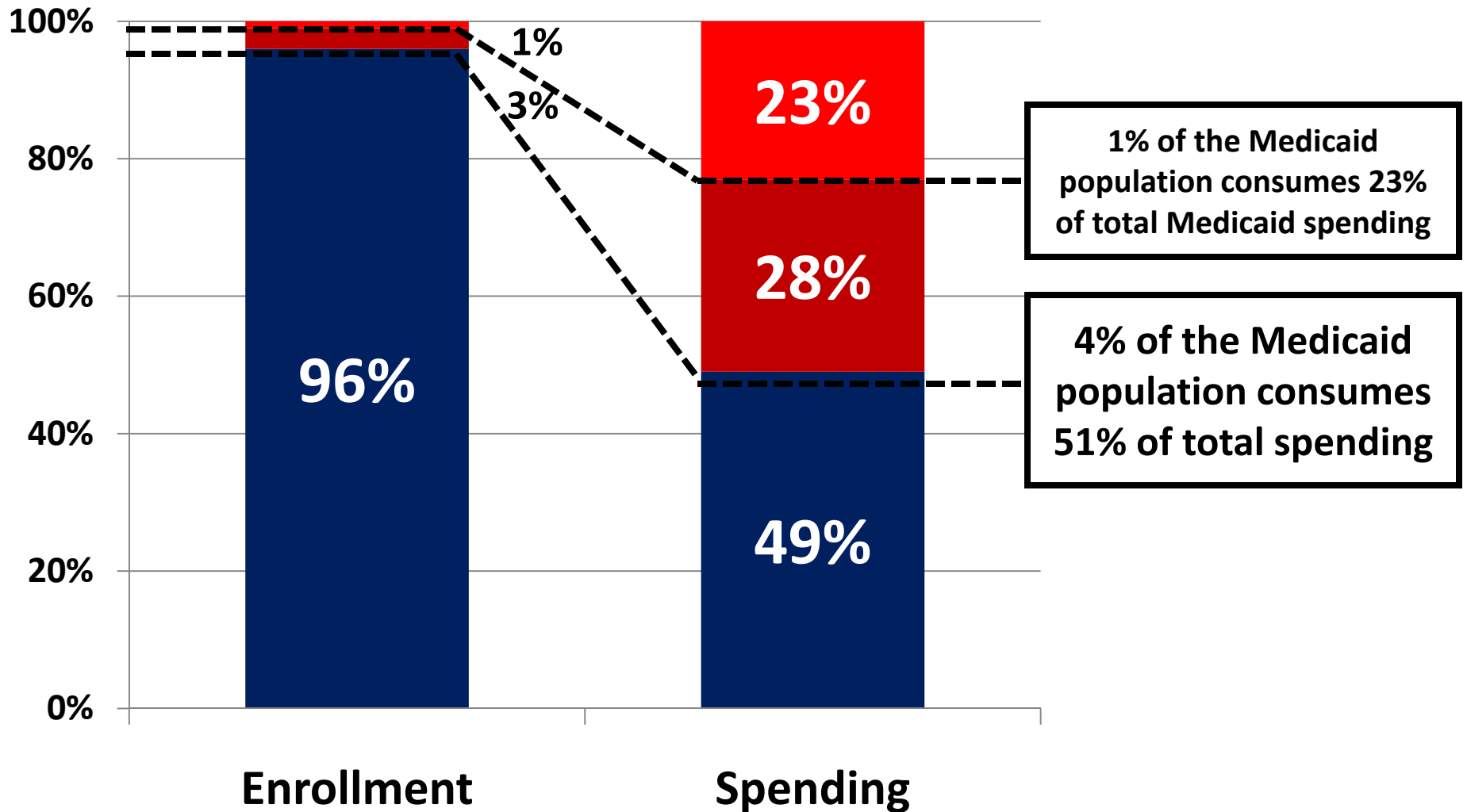
- 37th in preventing avoidable deaths before age 75
- 44th in avoiding Medicare hospital admissions for preventable conditions
- 40th in avoiding Medicare hospital readmissions

Affordability of Health Services²

- 37th most affordable (Ohio spends more per person than all but 13 states)
- 38th most affordable for hospital care and 45th for nursing homes
- 44th most affordable Medicaid for seniors



A few high-cost cases account for most Medicaid spending



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Source: Ohio Department of Job and Family Services; SFY 2010 for all Medicaid populations and all medical (not administrative) costs

Fragmentation

vs.

Coordination

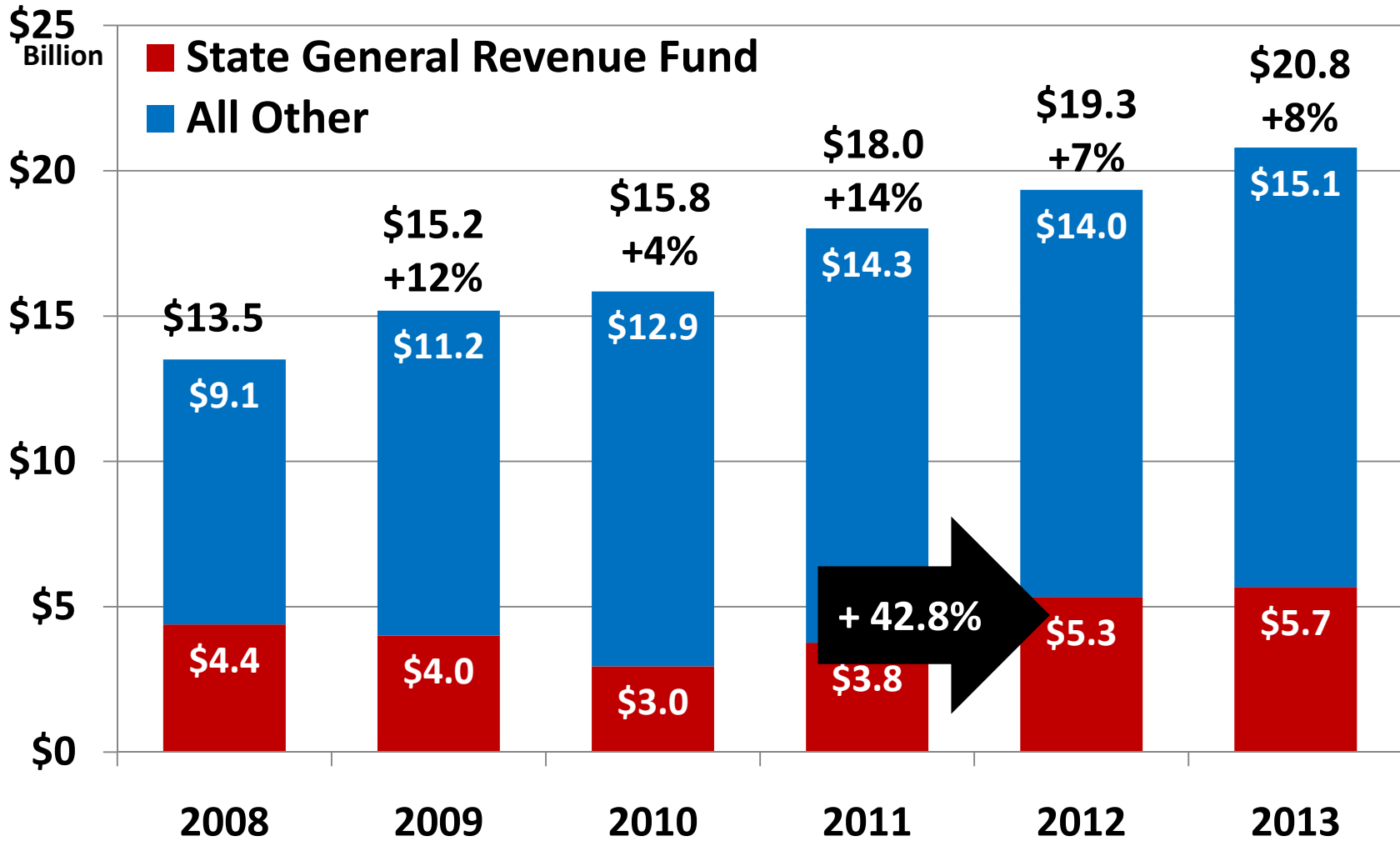
- Multiple separate providers
- Provider-centered care
- Reimbursement rewards volume
- Lack of comparison data
- Outdated information technology
- No accountability
- Institutional bias
- Separate government systems
- Complicated categorical eligibility
- Rapid cost growth

- 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



Ohio Medicaid Spending Trend

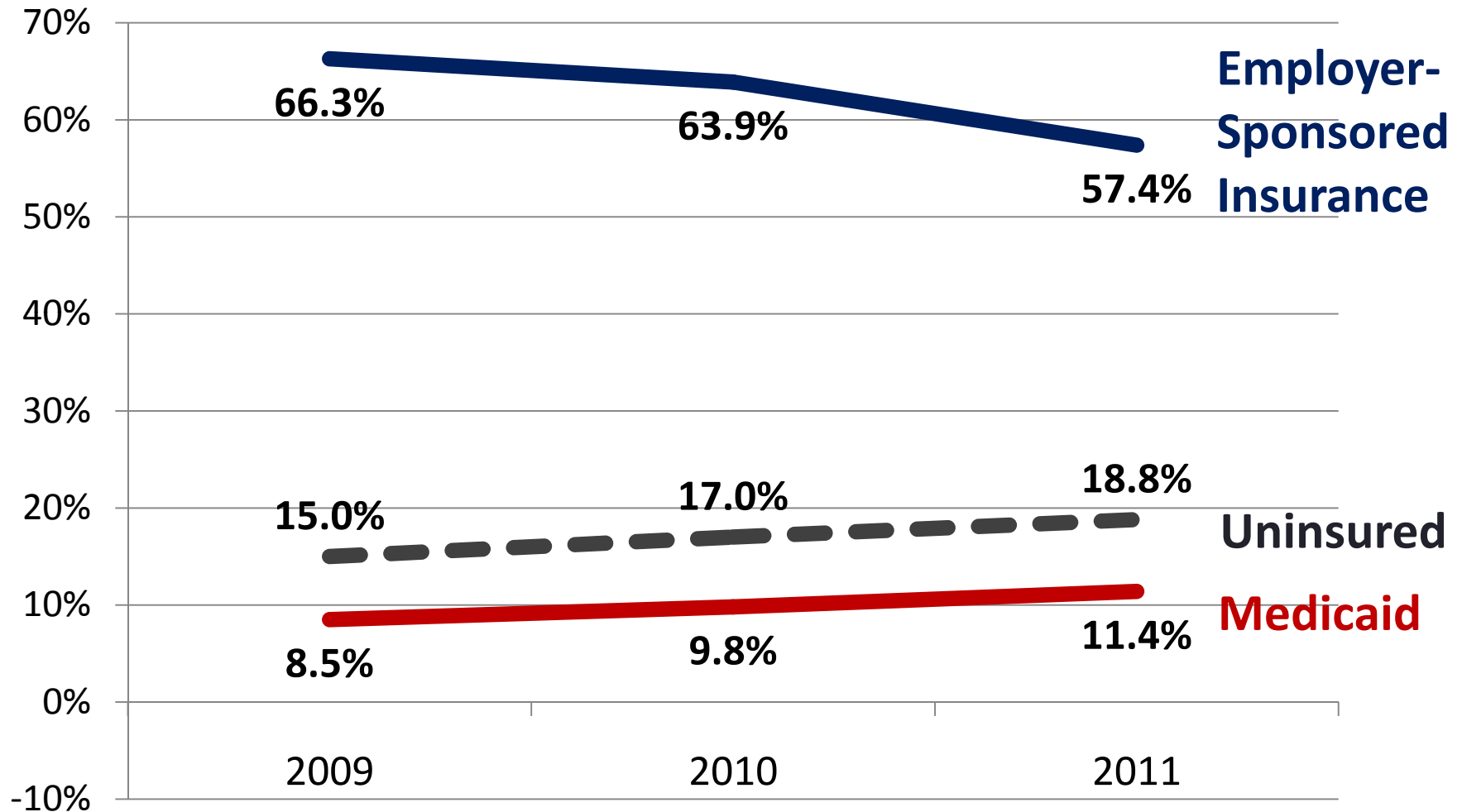
9 percent average annual growth, 2008-2011



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Source: Office of Health Transformation Consolidated Medicaid Budget, All Funds, All Agencies; actual SFY 2008-2010 and estimated SFY 2011-2013; "All Other" includes Federal Funds and Non-General Revenue Funds (non-GRF)

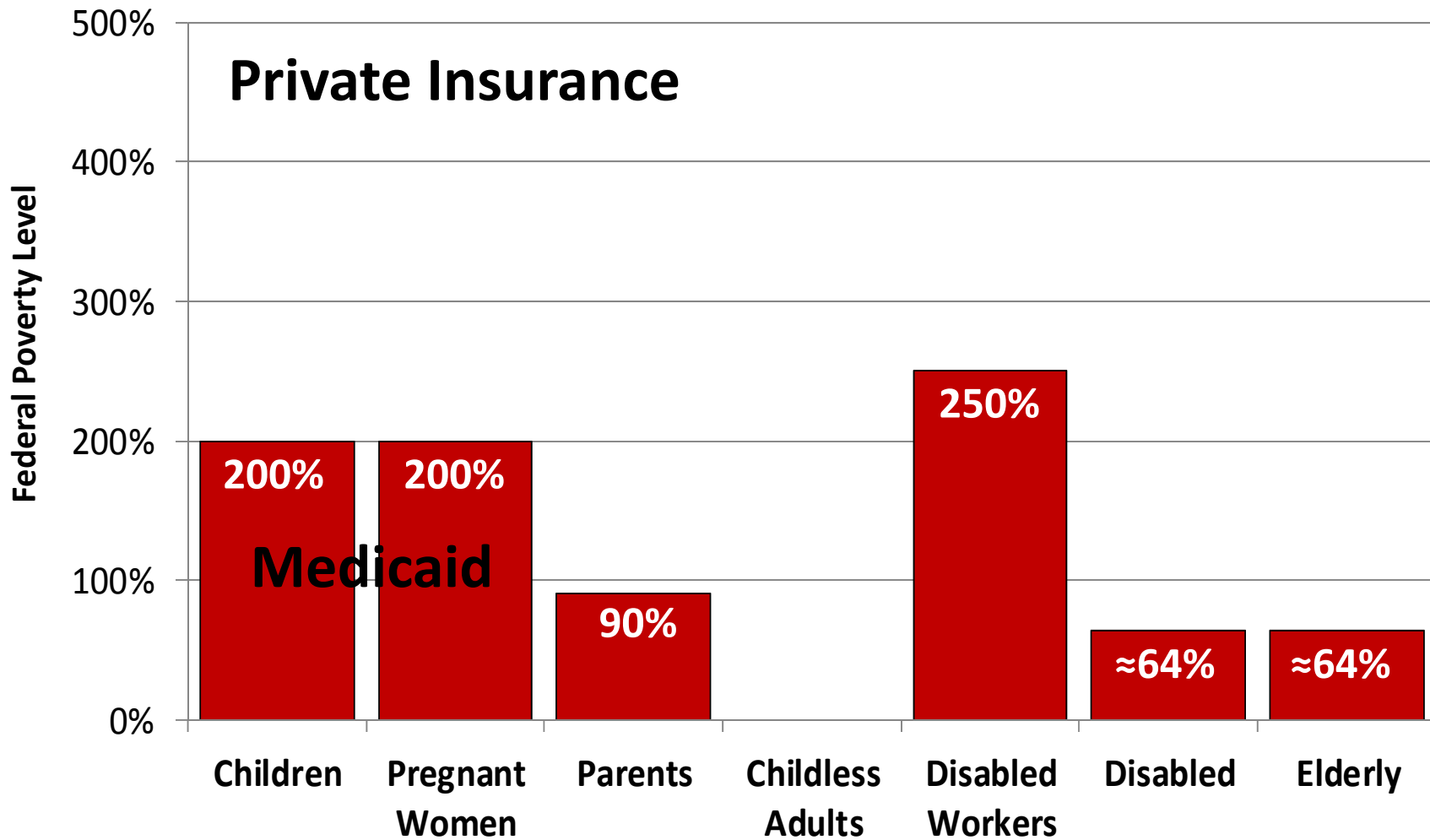
Ohioans Covered by Employer-Sponsored Health Insurance, Medicaid, or Uninsured



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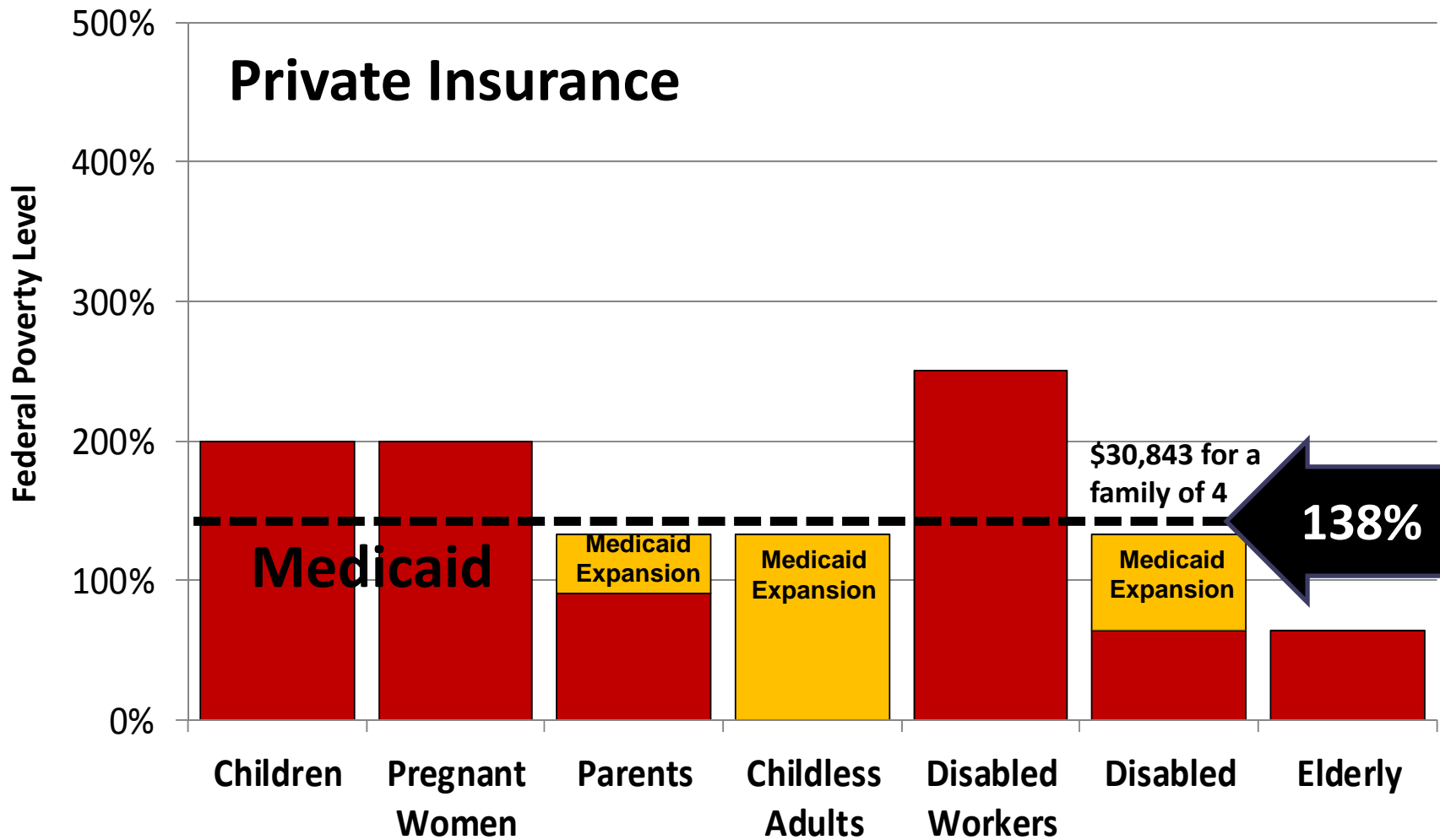
Source: Ohio Colleges of Medicine Government Resource Center, "Quantifying the Impact of the Recent Recession on Ohioans: preliminary findings from the 2010 Ohio Family Health Survey" (February 16, 2011)

Federal Reform: Current Medicaid Income Eligibility Levels



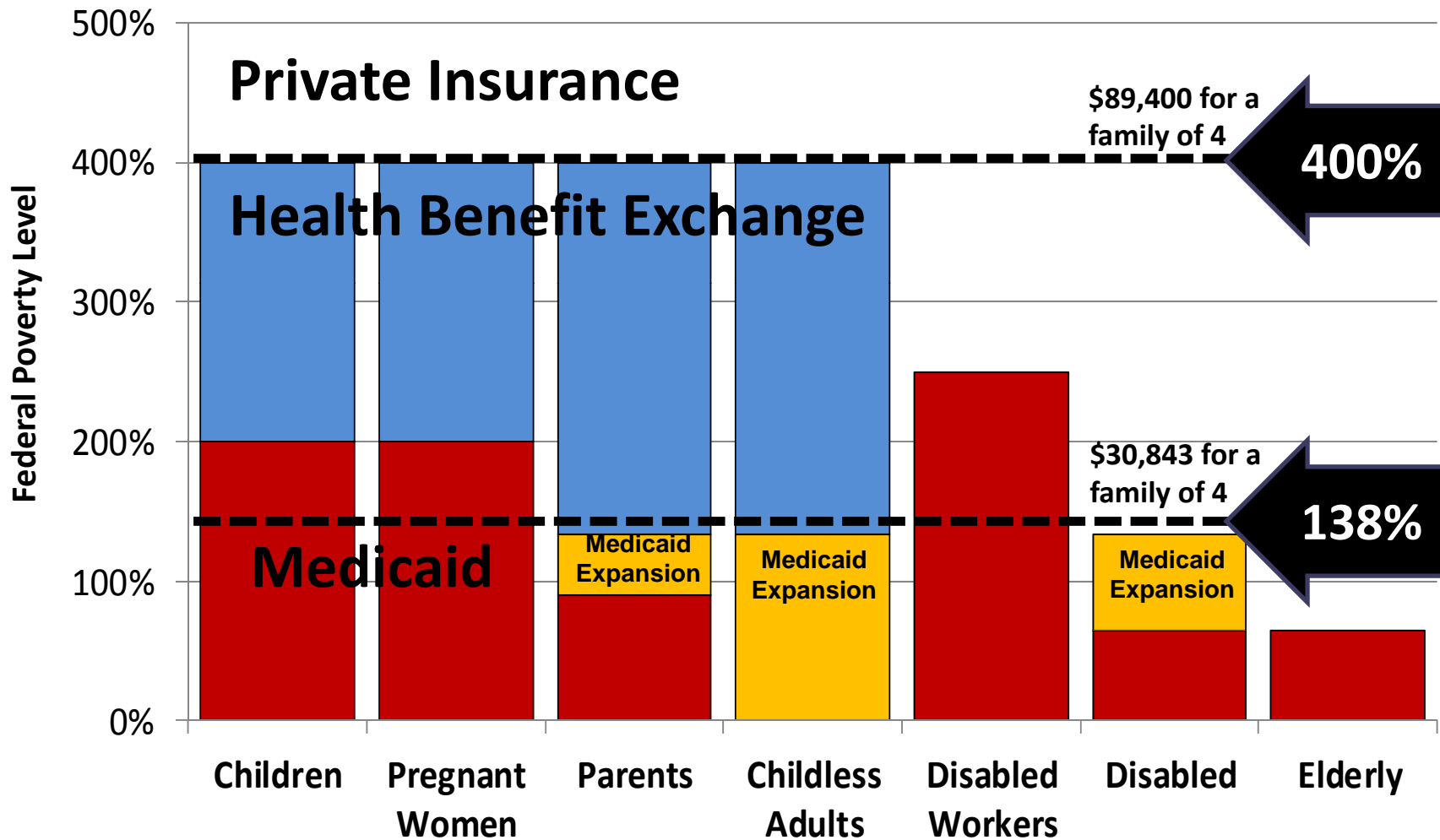
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Federal Reform: 2014 Medicaid Income Eligibility Expansion



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Federal Reform: 2014 Health Coverage Expansions



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The 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

RECOMMENDATION:

Promote Health Homes

HB 153 directs the Director of the Ohio Department of Health to define Medicaid Health Homes to ensure consistency in delivery of care and set a standard for reimbursement (3701.032)

- Comprehensive care management
- Care coordination and health promotion
- Comprehensive transitional care, including appropriate follow-up, from inpatient to other settings
- Patient and family support (including authorized reps)
- Referral to community and social support services
- Use of health information technology to link services
- \$900,000 in FY 2012 and \$46,350,000 in FY 2013



RECOMMENDATION:

Provide Accountable Care for Children

- 37,544 children with disabilities in Medicaid fee-for-service
- Complicated cases but no care coordination
- Pediatric Accountable Care Organizations (ACOs) show promise – but few are ready to take risk and responsibility
- Create a path toward better care coordination
- \$87.1 million in FY 2013 (\$28.6 million in utilization savings are offset by one-time costs of moving from FFS to managed care)

RECOMMENDATION (continued):

Provide Accountable Care for Children

| Responsibility | Current | Option I | Option II | Option III |
|--------------------------|----------------|-----------------|------------------|-------------------|
| Medicaid Contract | FFS | MCP | MCP | ACO |
| Care Coordination | None | MCP | ACO | ACO |
| Financial Risk | Medicaid | MCP | MCP | ACO |
| Savings | None | Medicaid | MCP & ACO | ACO & Medicaid |

RECOMMENDATION:

Create a Single Point of Care Coordination

Implement an Integrated Care Delivery System:

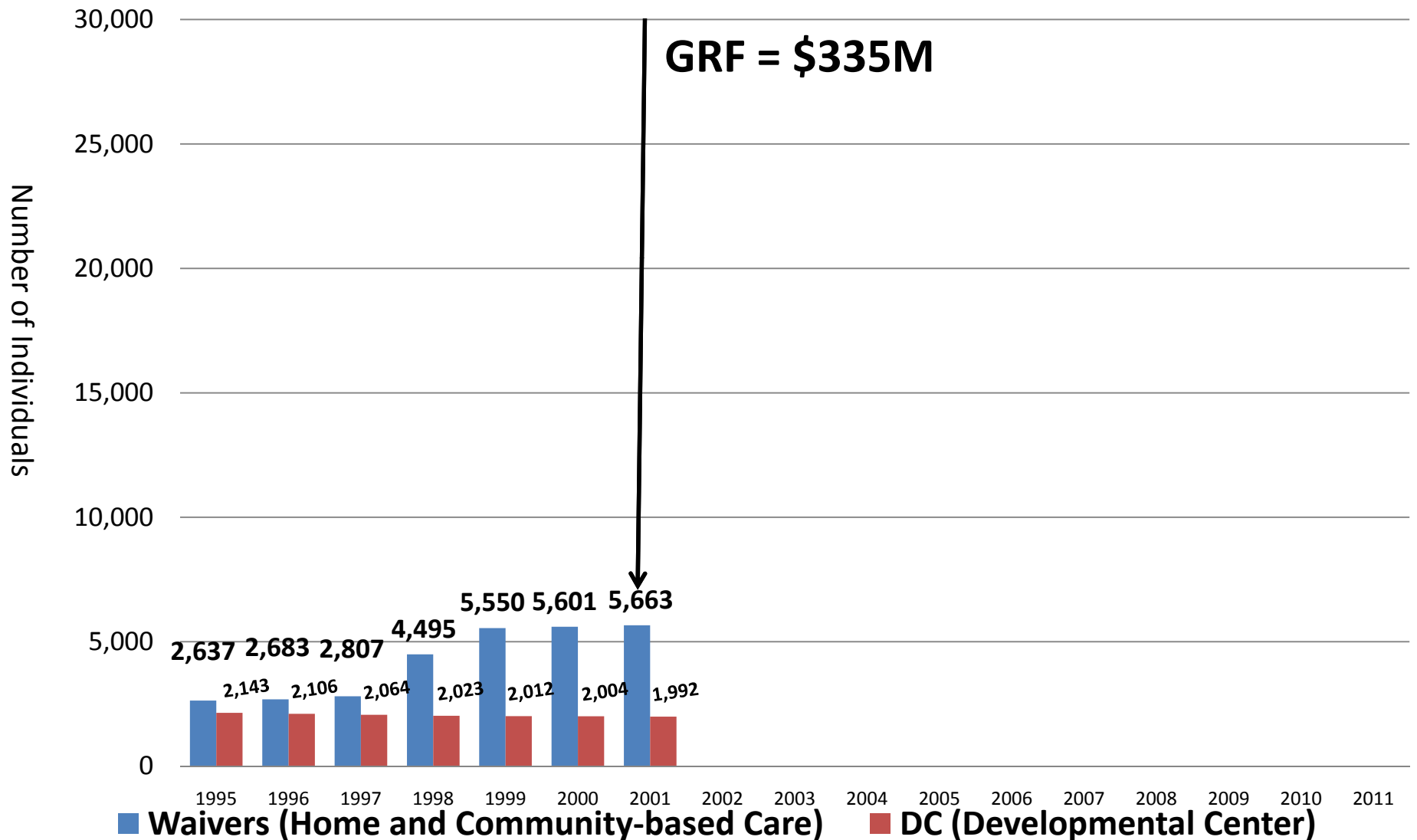
- Focus first on 113,000 dual eligibles in nursing homes and on waivers, and individuals with severe mental illness
- Explore options for delivery models, including managed care, accountable care organizations, health homes, and other
- Require providers to have one point of care coordination
- Triple aim: improve the experience of care, enhance the health of populations, and reduce costs through improvement
- Seek the necessary federal waivers
- Budget neutral (with potential for significant future savings)

Medicaid Transformation Priorities

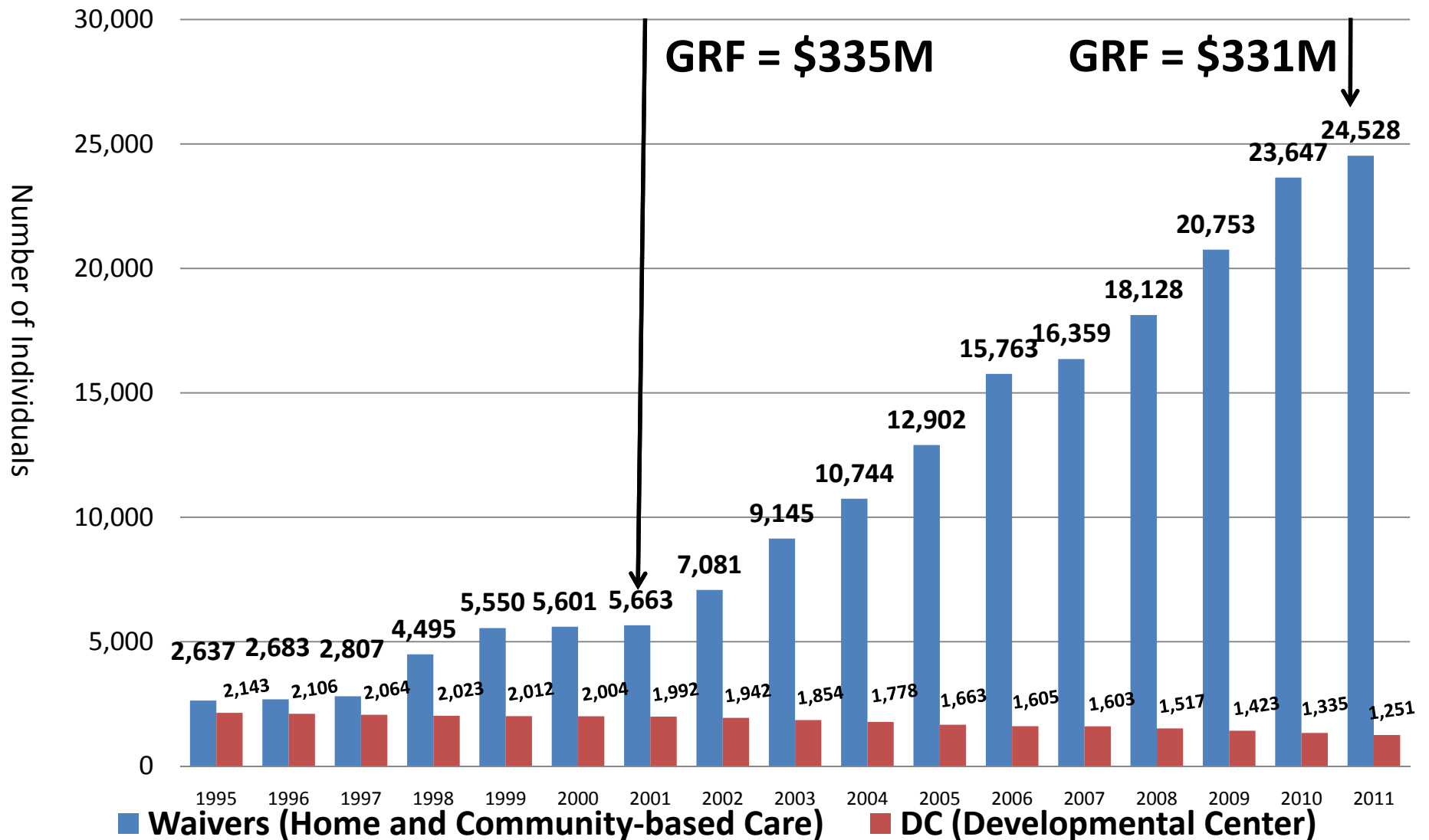
- Improve Care Coordination
- Integrate Behavioral/Physical Health Care
- Rebalance Long-Term Care
- Modernize Reimbursement
- Balance the Budget

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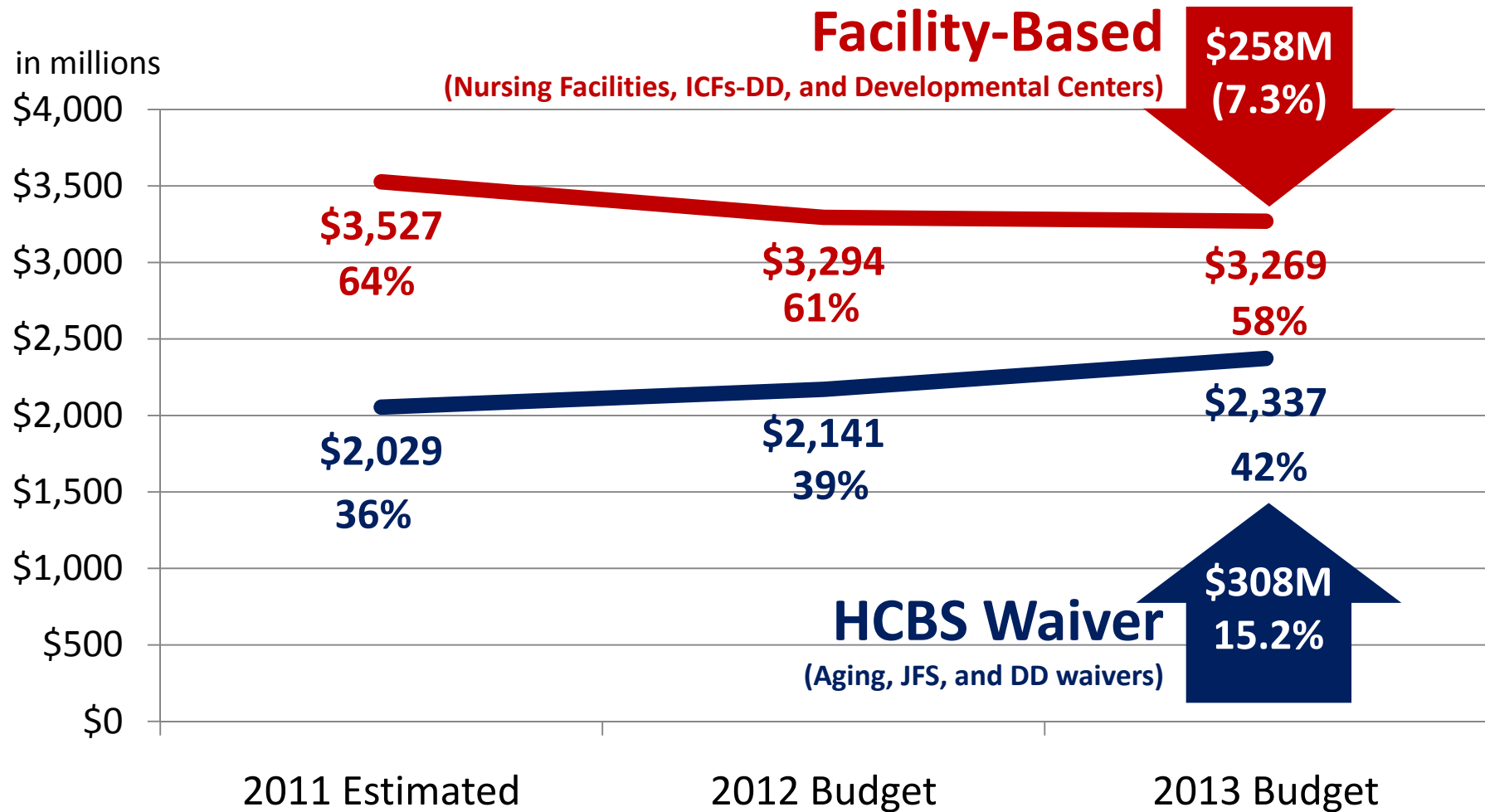
A Case Study in Transformation: Ohio Department of Developmental Disabilities



A Case Study in Transformation: Ohio Department of Developmental Disabilities



Medicaid Budget: Rebalance Medicaid Spending on Institutions vs. Home and Community Based Services



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Source: Ohio Department of Job and Family Services; based on average monthly recipients for SFYs 2006-2010.

What this budget does NOT do

- Does not cut eligibility
- Does not cut optional services, including dental
- Does not make arbitrary across-the-board cuts
- Does not resort to smoke and mirrors
- Does not count hypothetical savings



THE BLADE

Wednesday, February 9, 2011

Editorial - Medicaid realism

Dayton Daily News

Wednesday, March 9, 2011

Medicaid is 30% of state budget and growing

AKRON BEACON JOURNAL

Sunday, April 3, 2011

Editorial - Ambitious for Medicaid

John Kasich wants to save money. He also has a plan to improve quality and outcomes

The Columbus Dispatch

Sunday, May 1, 2011

Editorial: Serve the seniors

Lawmakers should reduce funding to nursing homes, boost in-home services

Dayton Daily News

Wednesday, March 9, 2011

Editorial - Kasich needs to be bold and effective

THE PLAIN DEALER

Sunday, April 10, 2011

Medicaid proposal by Gov. John Kasich would transform system in Ohio

THE REPOSITORY

Tuesday, March 22, 2011

Editorial - Medicaid needs more than tweaking. Kasich tackles big problem areas without neglecting recipients' needs

The Columbus Dispatch

Thursday, April 7, 2011

Editorial: Rightsize it

Lawmakers should continue effort to give seniors care options



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