



# *Ohio Medicaid Overview*

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John McCarthy  
Medicaid Director





# Medicaid Overview

- **Medicaid is Ohio's largest health payer** 83,000 active providers, hospitals, nursing homes and other providers care for 2.5 million individuals insured by Medicaid
- **Medicaid spending increased 33% in the 3 years prior to Governor Kasich taking office** – four times faster than Ohio's economy
- **Governor Kasich's first Medicaid reform budget H.B. 153 held Medicaid spending to less than 3% growth** – saving Ohioans \$3 billion since 2011



**Governor Kasich's First Jobs Budget:**

## **“Repeal and Replace” Old Medicaid**

***Inherited a program that grew 33% over 3 prior years***

- Created the Office of Health Transformation
- Linked nearly 10% of nursing home reimbursement to quality
- Increased access to home and community based services
- Freed local behavioral health from Medicaid match
- Created health homes for people with serious mental illness
- Consolidated health plan regions to be more efficient
- Linked 1% of health plan payments to performance
- 3<sup>rd</sup> state approved to integrate Medicare-Medicaid services
- Implemented a new Medicaid claims payment system

***Saved Ohio taxpayers \$3 billion over three years***



# Benefits

## Federally Mandated Services

- Early and Periodic screening, diagnosis and treatment (EPSDT) for children
- Inpatient hospital
- Physician
- Lab and X-ray
- Outpatient, including services provided by hospitals, rural health clinics, and Federally Qualified Health Centers
- Medical and surgical vision
- Medical and surgical dental
- Transportation of Medicaid services
- Nurse midwife, certified family nurse and pediatric nurse practitioner
- Home Health
- Nursing facility
- Medicare premium assistance

## Ohio's Optional Services

- Prescription drugs
- Durable medical equipment and supplies
- Vision, including eyeglasses
- Dental
- Physical Therapy
- Occupational therapy
- Speech therapy
- Podiatry
- Chiropractic services for children
- Independent psychological services for children
- Private duty nursing
- Ambulance/ambulette
- Community alcohol/drug addiction treatment
- Home and Community based alternatives to facility based care
- Intermediate care facilities for people with developmental Disabilities
- Hospice
- Community mental health services



## Eligibility Groups

Category	Percent of FPL
Children	200%
Parents	90%
ABD	64%
HCBS Waivers	300%
MBIWD	250%
Childless Adults	133%



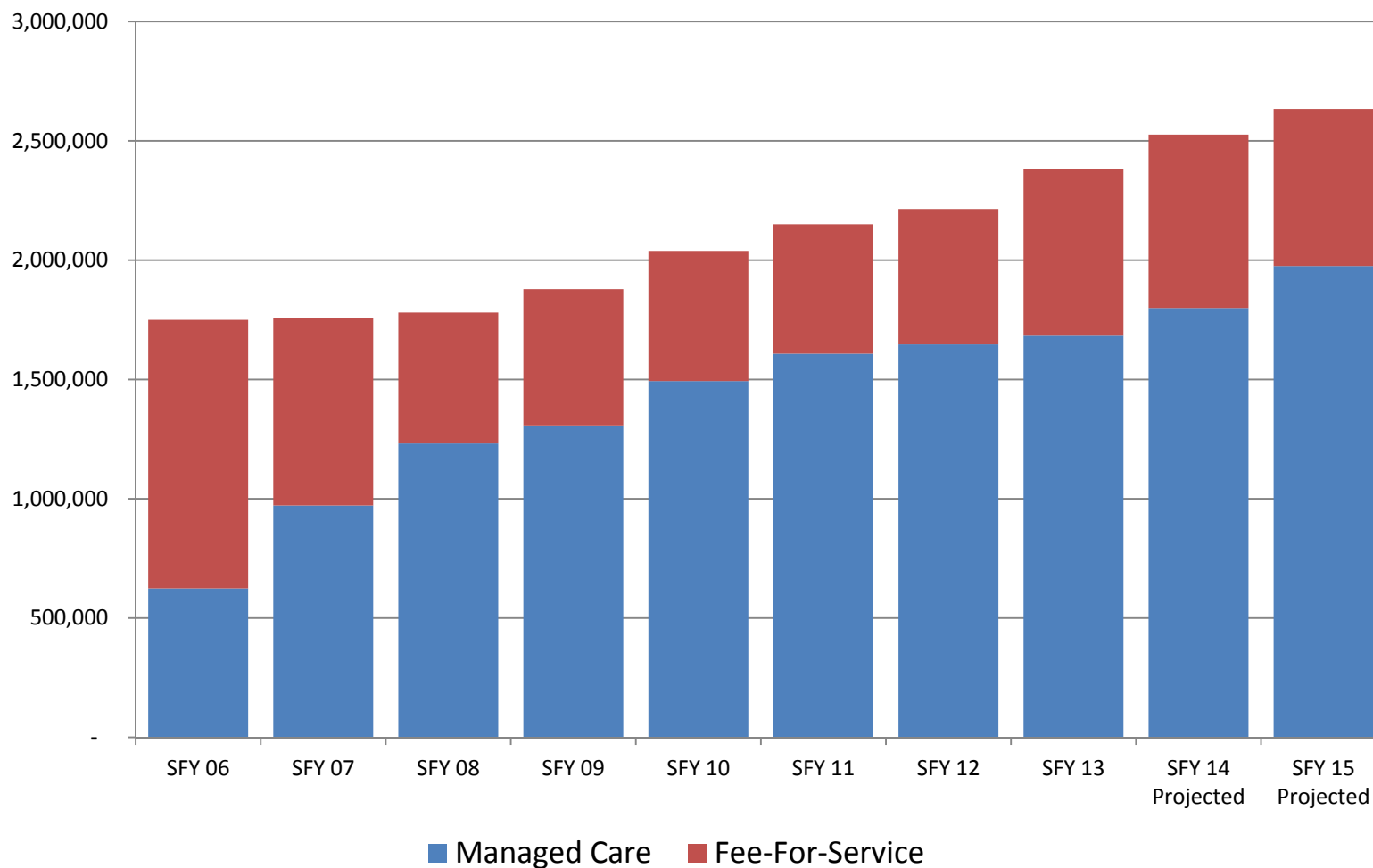
# Enrollment August 2014

Category	Number
Total Enrollment	2,785,053
Full Medicaid Benefits	2,592,905
Managed Care	2,191,310
Non-ABD	1,126,464
ABD	432,997



# Ohio Medicaid Managed Care

## Average Monthly Medicaid Enrollment by State Fiscal Year





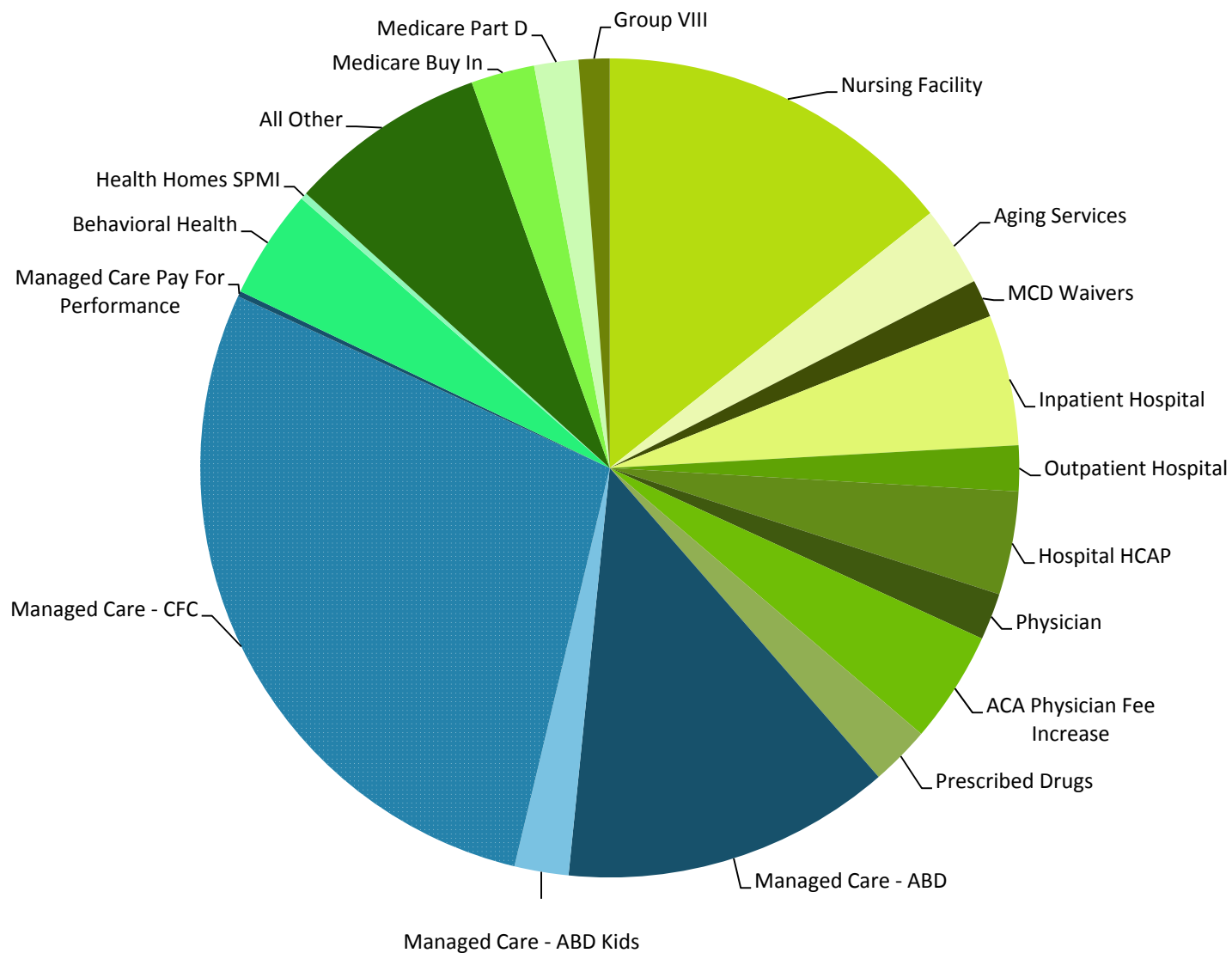
## All Funds Expenditures

<b>Funding Source</b>	<b>SFY15 Budget</b>
Transfers	\$1,900,486,547
Non GRF State	\$1,802,232,891
Non GRF Local	\$392,772,154
Non GRF Federal	\$7,695,128,335
Non Appropriated Local	\$137,407,855
GRF State	\$5,829,277,548
GRF Federal	<u>\$8,933,098,262</u>
Grand Total	\$26,690,403,591
Grand Total Less Transfers	\$24,789,917,044





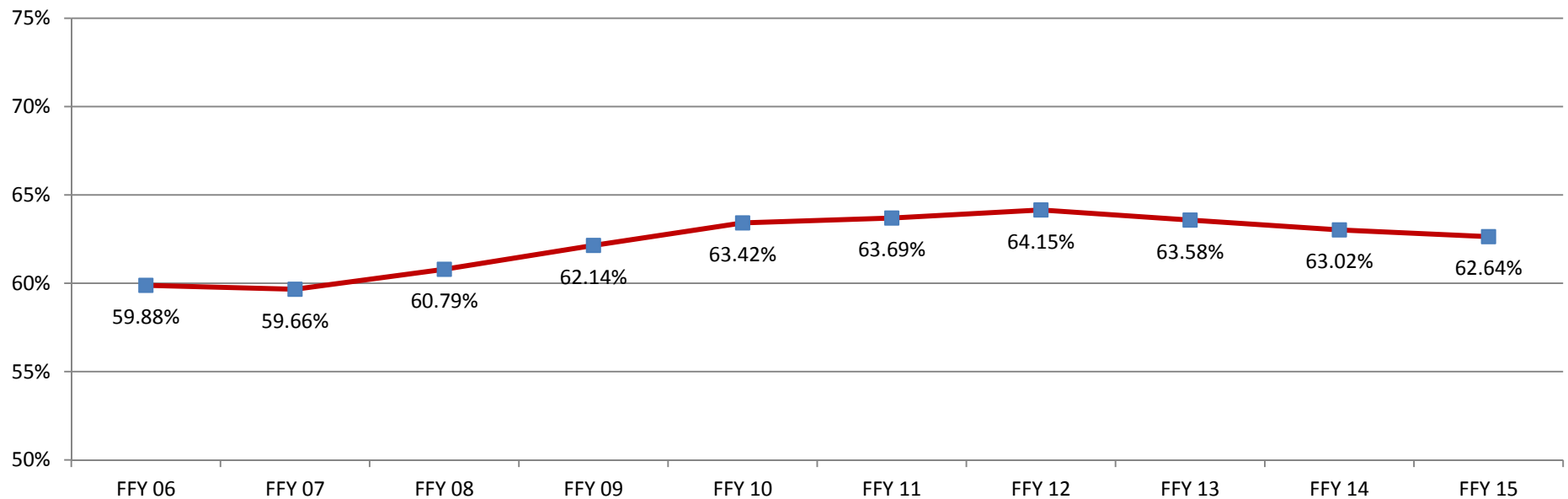
## Medicaid Expenditures by Service Type - SFY 14





# Regular FMAP Overtime

FMAP





# Home- and Community-Based Services Waivers

## ***6 Nursing Facility Level of Care HCBS Waivers***

- » PASSPORT (60 and older) – no nursing services
- » Assisted Living (21 and older) – must live in an assisted living setting
- » Ohio Home Care (59 and younger) – includes nursing services
- » Choices (60 and older) – self direction
- » Transitions Carve Out (60 and older) – includes nursing services
- » MyCare (18 and older) – All encompassing waiver for CMMI demonstration

## ***3 ICF/IDD Level of Care HCBS Waivers***

- » Individual Options
- » Level One – benefit limited to \$5,000
- » SELF – self directed waiver



## HCBS Waivers *(continued)*

### ***HCBS waiver reforms***

- » Too many waiver – too confusing to both people and providers
- » Began harmonizing waivers
- » Moved the Choices and Transition waivers into other waivers

### ***Next steps***

- » Add nursing services to waivers
- » Use the same rates for the same services across waivers



# HOME Choice

## *Another Medicaid Milestone*



Ohio's iteration of *Money Follows the Person*

### ***Original Goal:***

Transition 2,000 people out of institutional settings and back into home and community based options

- » ***2008-2010:*** 968 transitions
- » ***Since 2011:*** More than 4,000 transitions
- » ***Summer 2014:*** Ohio Medicaid and its community partners successfully transition its 5,000<sup>th</sup> individual back into the community



# HOME Choice

## *National Recognition*



*In 2013:*

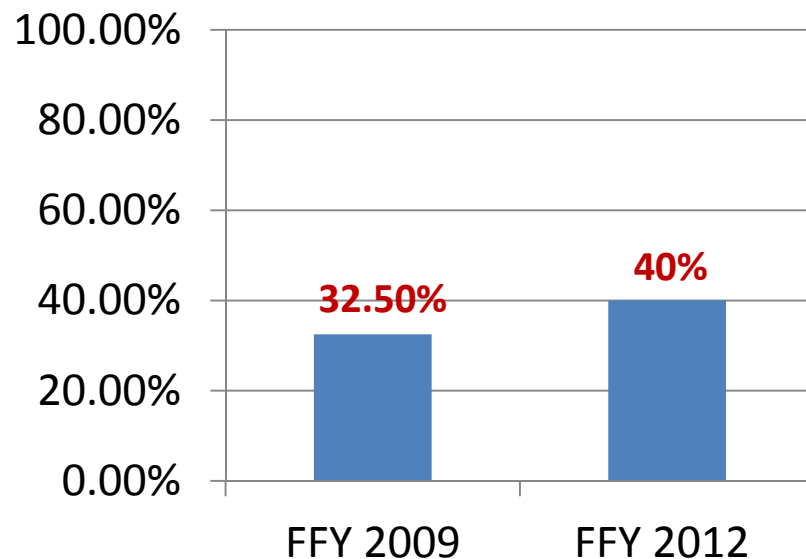
Ohio ranks **second** among all MFP states in overall institution-to-community transitions and **first** for transitioning the most individuals living with mental illness.



# Balancing Incentive Program (BIP)

## Moving the Needle

*How Ohio's HCBS LTSS balance has improved, per CMS data:*



***BIP approved for Ohio July 1, 2013:***

- » December 2013:  
Ohio's HCBS LTSS balance = 42.7%
- » March 2014:  
Ohio's HCBS LTSS balance = 49.45%
- » **August 2014:**  
**Ohio's HCBS LTSS balance = 51.05%**

***...and the work continues!***



# **+MyCareOhio**

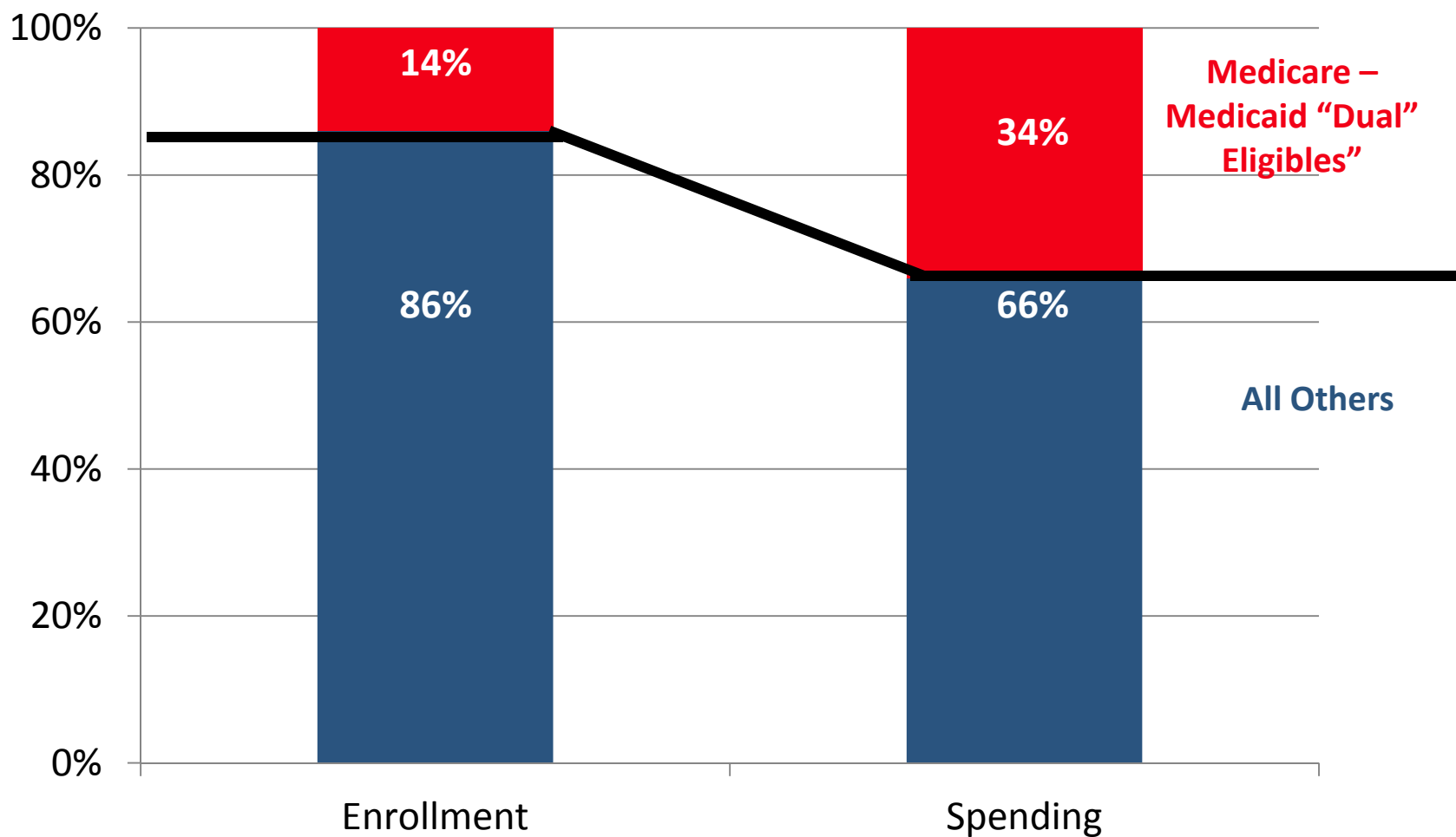
*Connecting Medicare + Medicaid*





# *MyCare Ohio: Medicaid Hot Spot*

Dual eligible individuals make up just 14% of the Medicaid population – but consume 34% of total costs.





# ***MyCare Ohio: Overview***

## ***Why MyCare Ohio?***

- » Approximately 182,000 dual-eligible residents of Ohio
- » Very little coordination between Medicare and Medicaid benefits
- » Fragmentation and waste too often the result
- » Integrate physical, behavioral and long-term care services into a seamless experience for the individual



# ***MyCare Ohio: Overview***

## ***Goals of Demonstration***

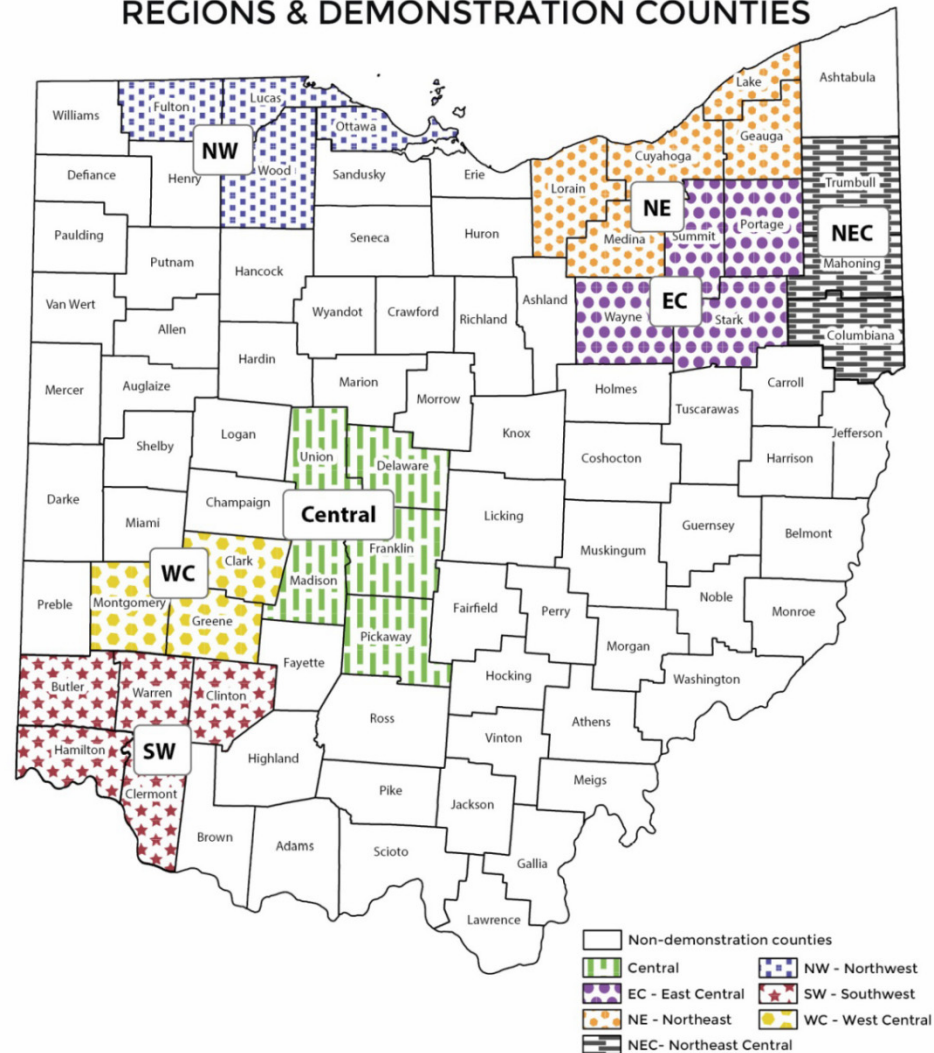
- » Improve health outcomes
- » Identify new ways to reduce overall cost of care between systems
- » Provide individuals with a single point of contact for the administration of services
- » Establish a delivery system that is easy to navigate for both the individual and provider
- » Create a seamless transition between care settings and programs the needs of individuals change



**MyCareOhio**  
Connecting Medicare + Medicaid

### REGIONS & DEMONSTRATION COUNTIES

REGION	EFFECTIVE ENROLLMENT DATE
Northeast	5/1/2014
Northwest Northeast Central Southwest	6/1/2014
East Central Central West Central	7/1/2014

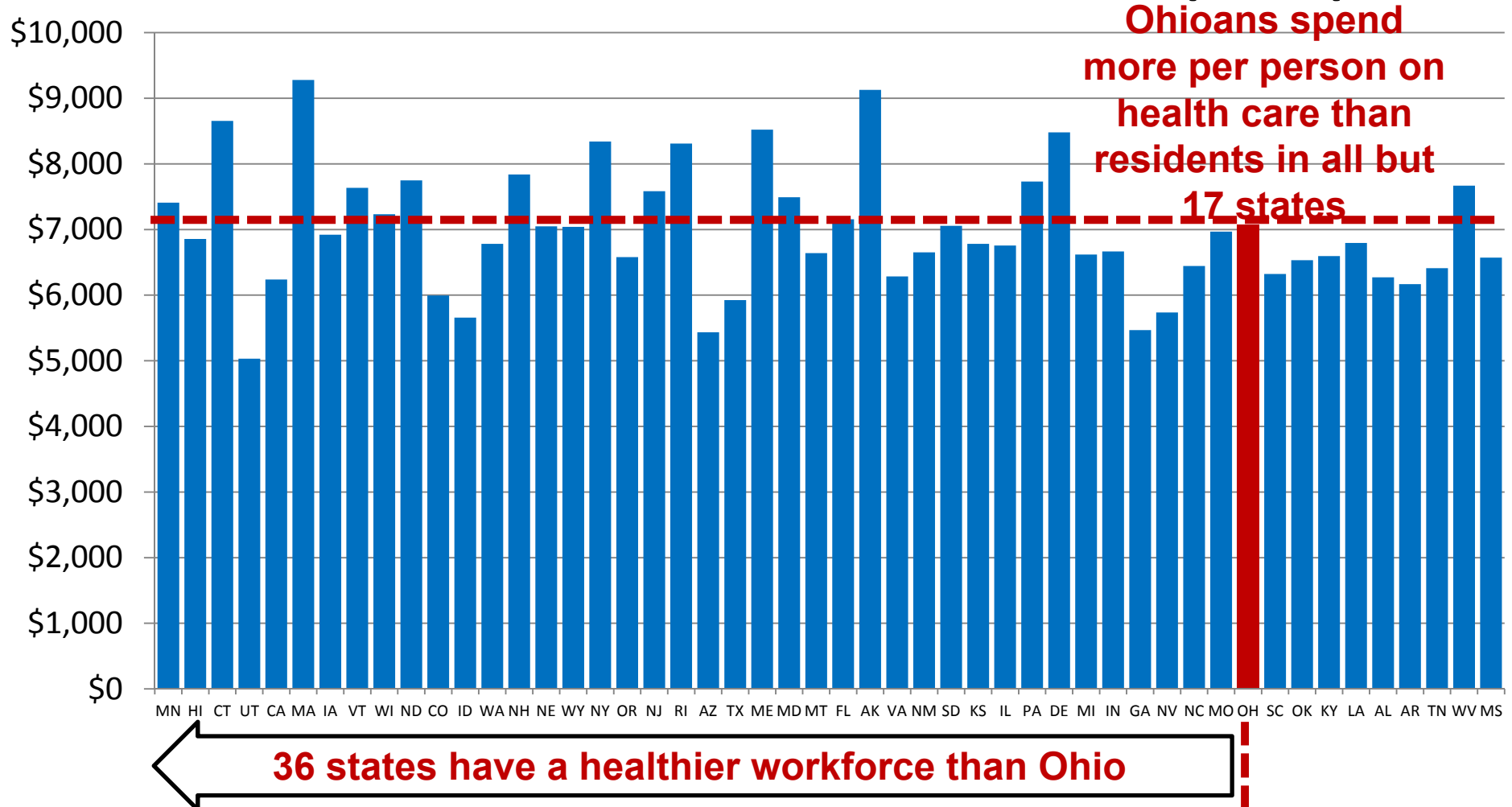




# ***Payment Innovation: Ohio's Vision***



# Health Care Spending per Capita by State (2011) in order of resident health outcomes (2009)



Sources: CMS *Health Expenditures by State of Residence* (2011); The Commonwealth Fund, *Aiming Higher: Results from a State Scorecard on Health System Performance* (October 2009).



## Payment Innovation: Timeline

The **Governor's Office of Health Transformation (OHT)** established with the goal to engage public and private partners to design and implement new health care delivery payment systems to reward value of services over volume.

**Sept. 2012:** Ohio submits application for federal State Innovation Model (SIM) Design Grant.

**Feb. 2013:** State awarded SIM design grant; begins work with McKinsey & Company and public/private partners on proposal design.

**July 2014:** Ohio submits applications for federal SIM Test Grant (second phase)



## Why medical homes and episodes?

### Medical homes provide the foundation for total cost/quality accountability

- **Population-based** accountability transcends delivery system
- **Large long-term impact:** prevention and chronic disease management
- Requires providers to fully **transform business model** away from FFS
- Requires significant provider **capabilities and commitment**

### Episodes “nested” within total cost of care for more specific accountability

- **Patient-centered** design around the “patient journey” thru delivery system
- **Faster to impact:** clear and specific opportunities for improvement
- **Stages business model transition** away from FFS for specialists/hospitals
- **Faster to scale,** independent of market structure or capabilities

### Fit with other models

Both models being implemented agnostic of provider structure, can be “carved out” or “carved in” for ACO or capitation





## Five year plan to launch PCMH and episode model at scale

### Goal

**80-90%** of Ohio's population in some **value-based payment model** (combination of episodes- and population-based payment) within **5 years**

### State's role

- Shift rapidly to PCMH & episode model in Medicaid FFS
- Require Medicaid MCO partners to participate / implement
- Incorporate into contracts of MCOs for state employee benefit program

### Patient centered medical homes

### Episode-based payments

#### Year 1

- In 2014 **focus on CPCi**
- Payers agree to participate in design for elements where standardization and / or alignment is critical
- Multi-payer group begins enrollment strategy for one additional market
- State leads design of **5** episodes – perinatal, asthma (acute exacerbation), COPD exacerbation, PCI, and joint replacement
- Payers agree to participate in design process, **launch reporting on at least 3 of 5 episodes in 2014** and tie to payment within year

#### Year 3

- Model rolled out to all major markets
- **50%** of patients are enrolled
- **20** episodes defined and launched across payers

#### Year 5

- Scale achieved state-wide
- **80%** of patients are enrolled
- **50+** episodes defined and launched across payers



## **Streamline Health and Human Services: Organize Government to be More Efficient**

### ***Jobs Budget***

- Created the Office of Health Transformation
- New Medicaid claims payment system (MITS)
- Reorganized Medicaid programs and budgets

### ***Jobs Budget 2.0***

- Consolidate Mental Health and Addiction Services (July 2013)
- Create a unified Medicaid budgeting/accounting system
- Create a Cabinet-Level Department of Medicaid (July 2013)
- Replace Ohio's 34-year-old eligibility system (CRIS-E)
- Coordinate health sector workforce programs



# Medicaid Structure

## ***The Medicaid Program is Operationalized Across Department***

- » Department of Medicaid
- » Department of Mental Health and Addiction Services
- » Department of Aging
- » Department of Developmental Disabilities
- » Department of Health
- » Department of Education



# Questions