



Governor's Office of
Health Transformation

Beyond the budget: improving overall health system performance

Greg Moody, Director
Governor's Office of Health Transformation

The OhioHealth 2011 Healthcare Leadership Forum
July 25, 2011

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



State Strategies to Improve Health System Performance

ACCESS

QUALITY

COST

Phase I: Leverage Medicaid Purchasing Power

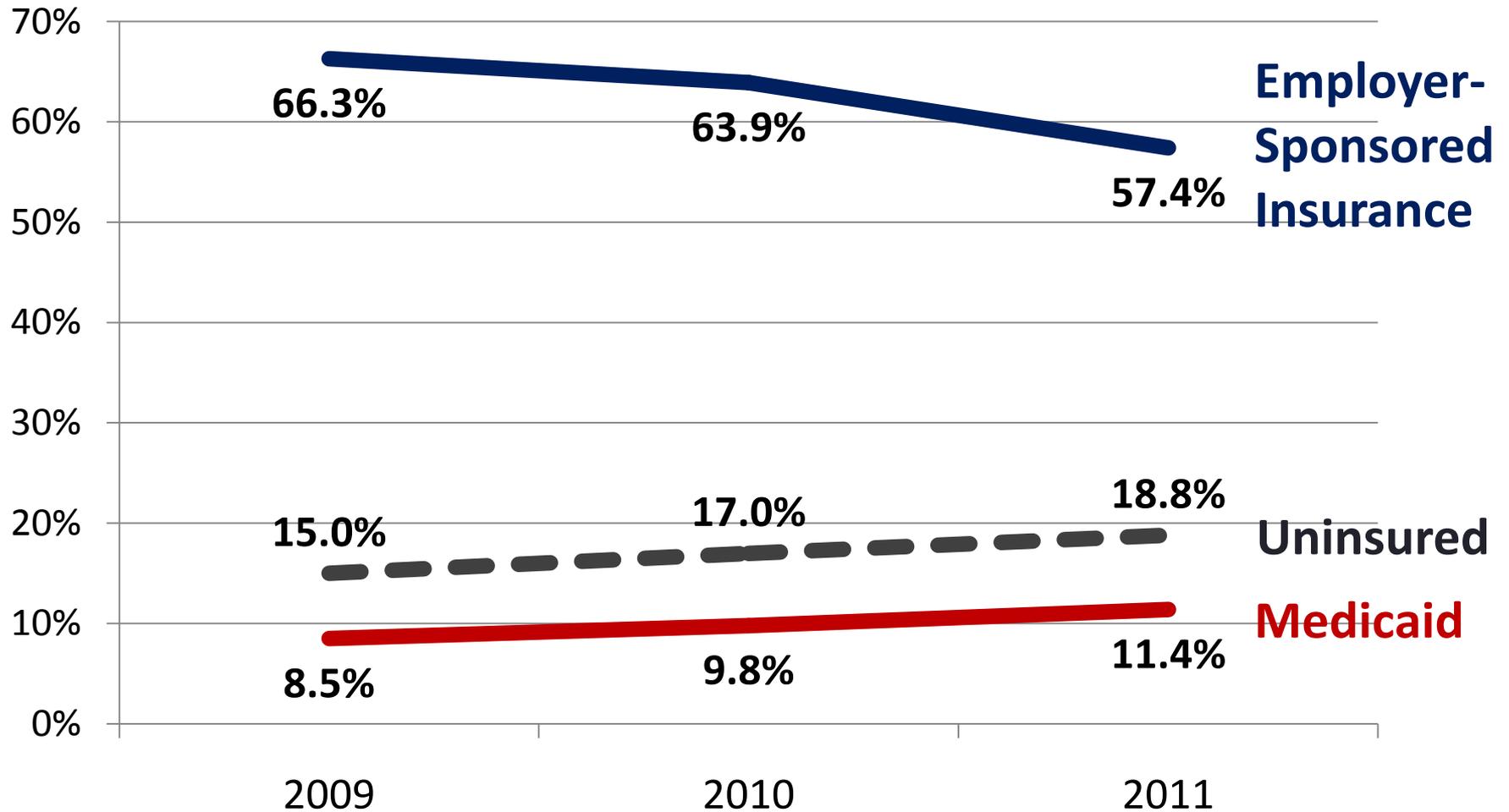
- Improve Care Coordination
- Integrate behavioral and physical health care services
- Rebalance long-term care

Medicaid is Ohio's Largest Health Payer

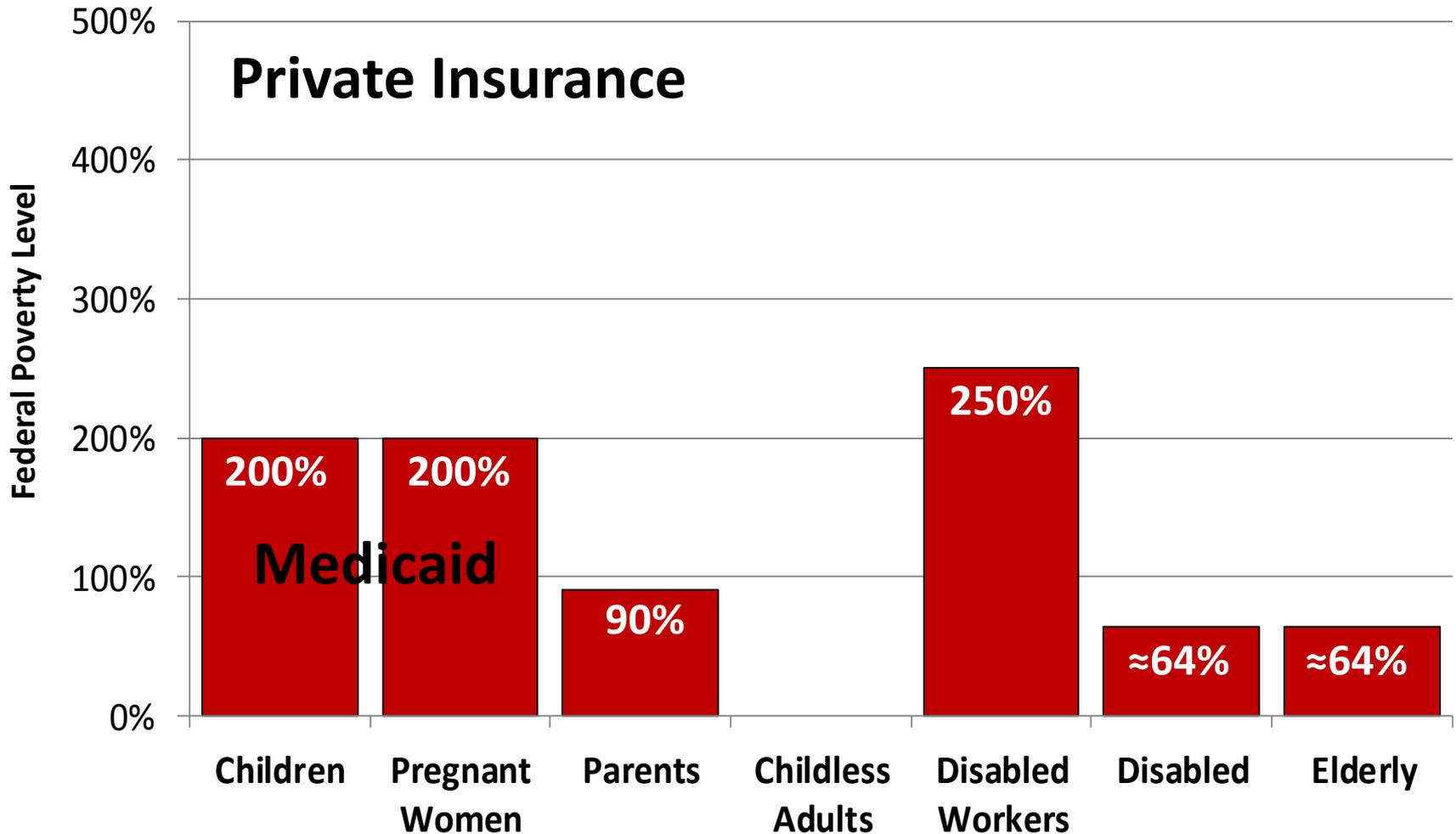
- Provides health coverage for low-income children, parents, seniors, and people with disabilities
- Covers 2.2 million Ohioans (1 in 5) including 2 in 5 births¹
- Spends \$18 billion annually all agencies, all funds (SFY 2011)¹
- Accounts for 4.0% of Ohio's total economy and is growing²
- Funds are federal (63.69%) and state (36.31%)³



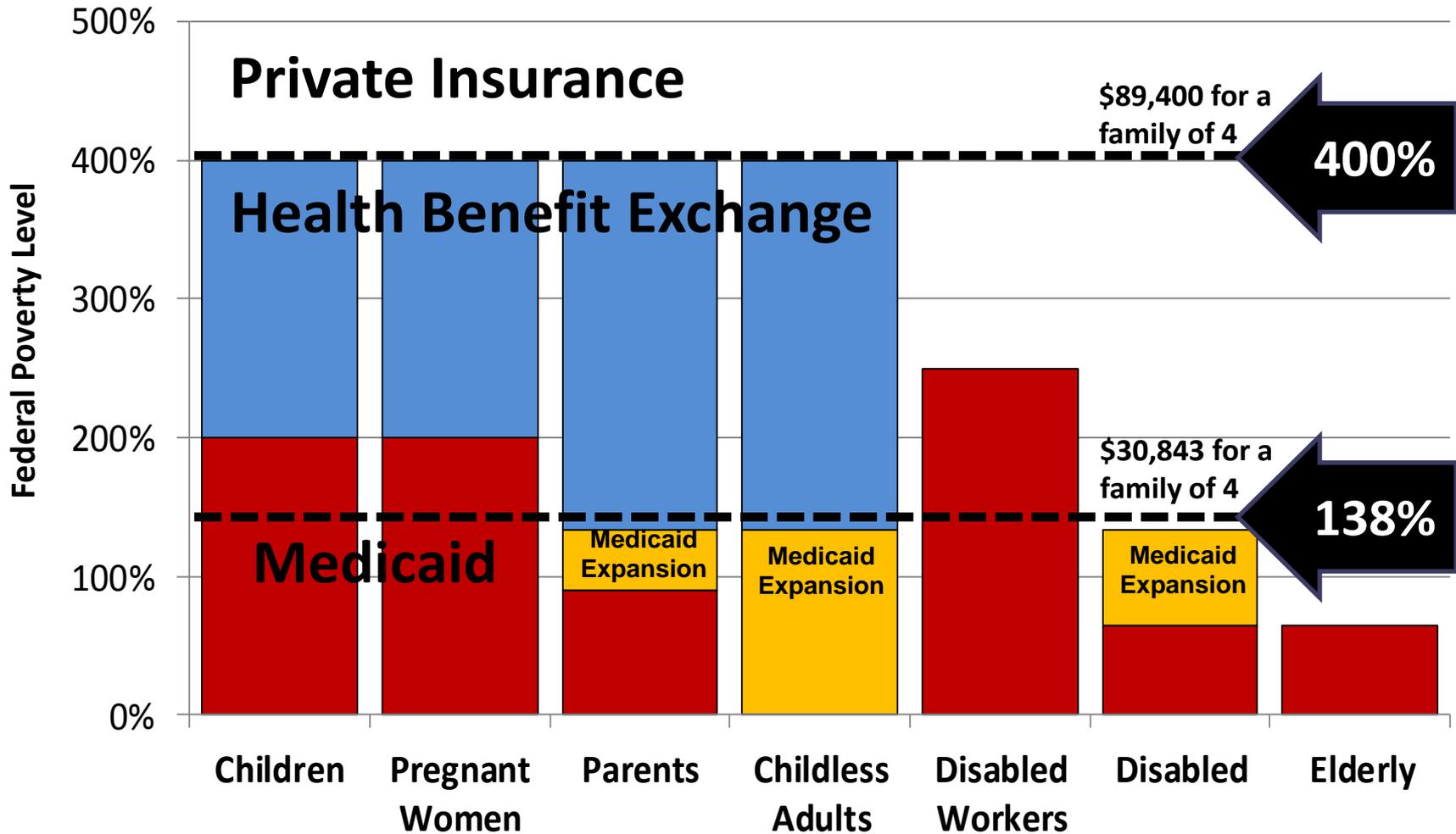
Ohioans Covered by Employer-Sponsored Health Insurance, Medicaid, or Uninsured



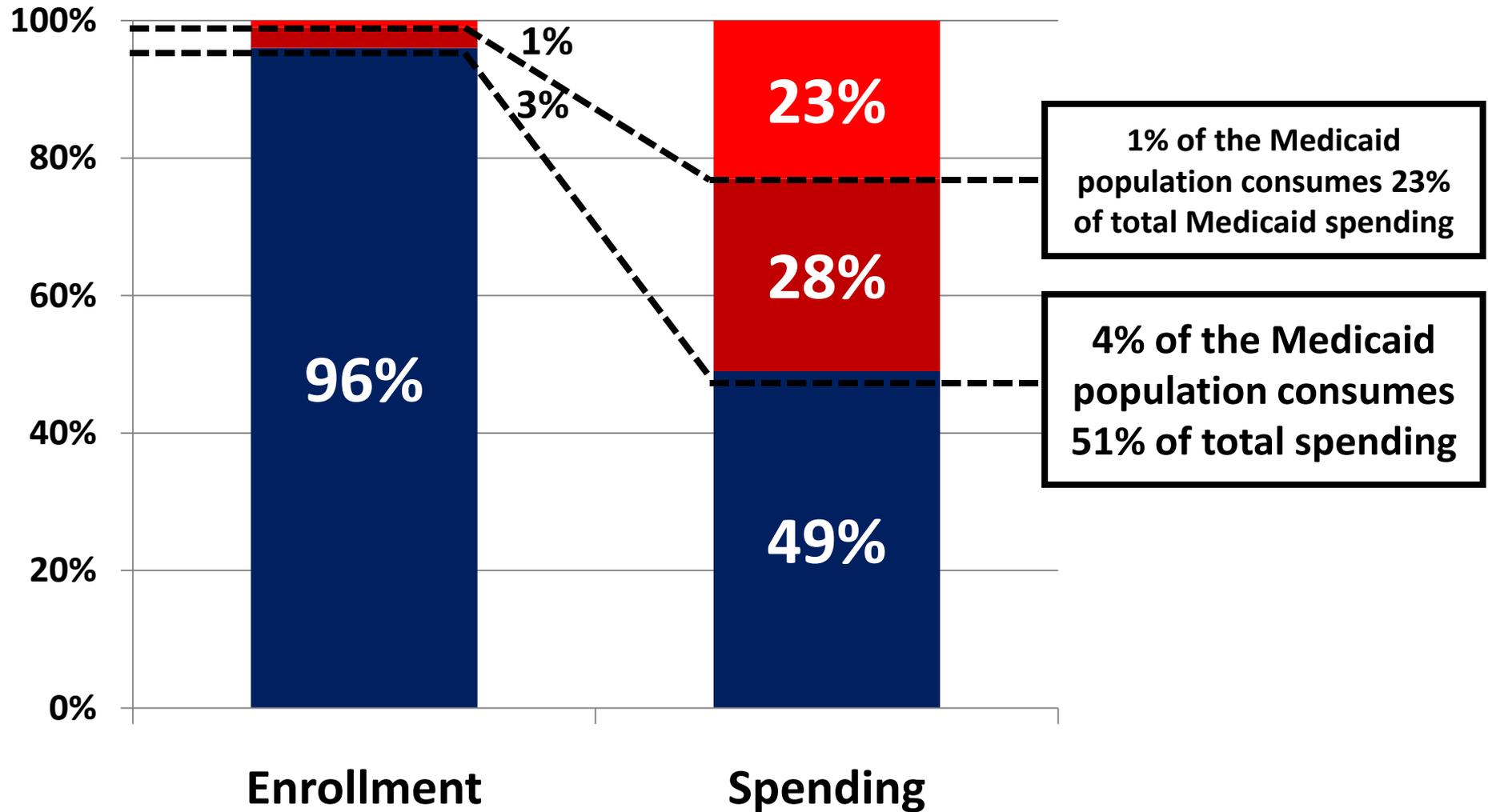
Federal Reform: Current Medicaid Income Eligibility Levels



Federal Reform: 2014 Health Coverage Expansions



A few high-cost cases account for most Medicaid spending



MEDICAL REPORT

THE HOT SPOTTERS

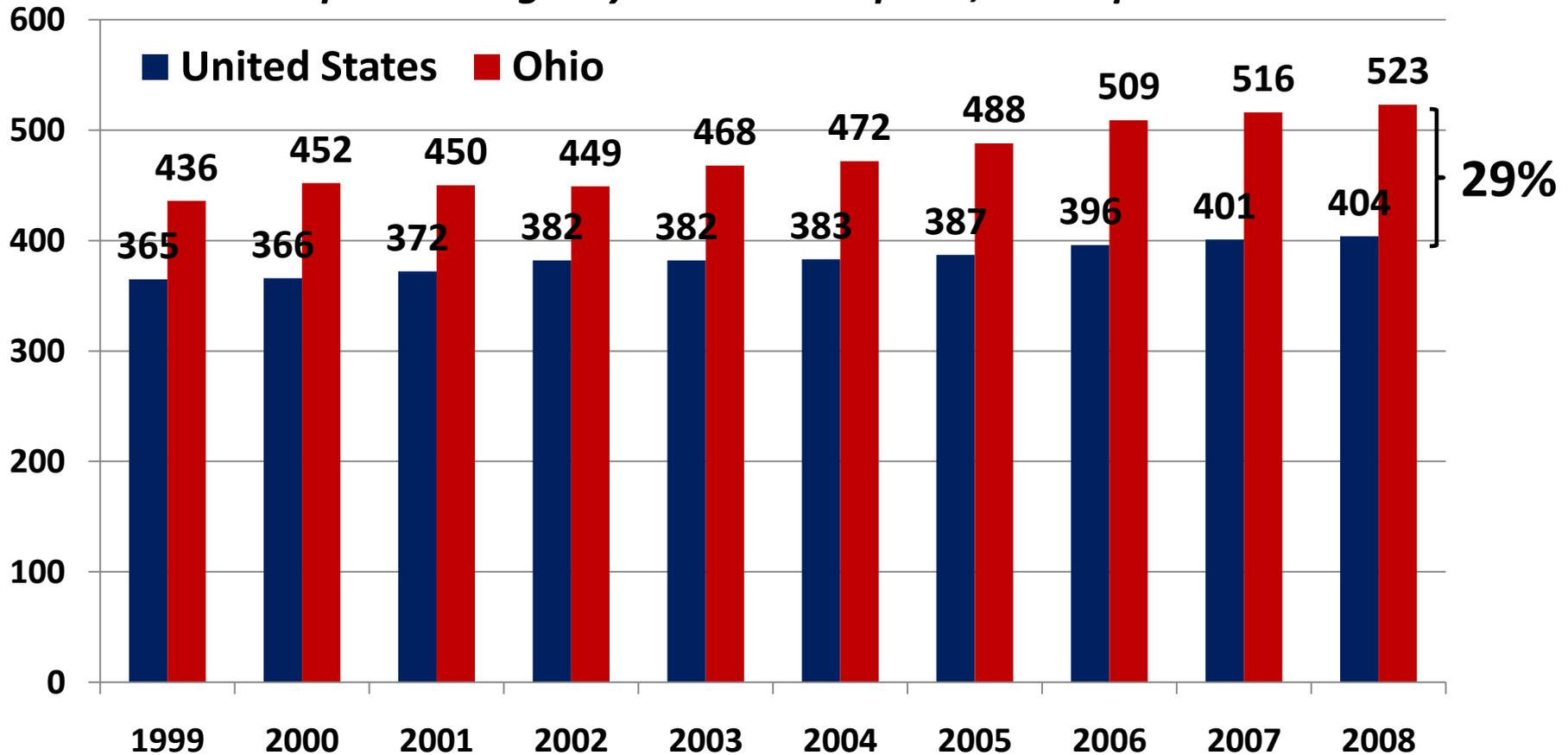
Can we lower medical costs by giving the neediest patients better care?

BY ATUL GAWANDE

“The critical flaw in our health care system ... is that it was never designed for the kind of patients who incur the highest costs. Medicine’s primary mechanism of service is the doctor visit and the emergency room visit. It’s like arriving at a major construction project with nothing but a screwdriver and a crane.”

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

Hospital Emergency Room Visits per 1,000 Population



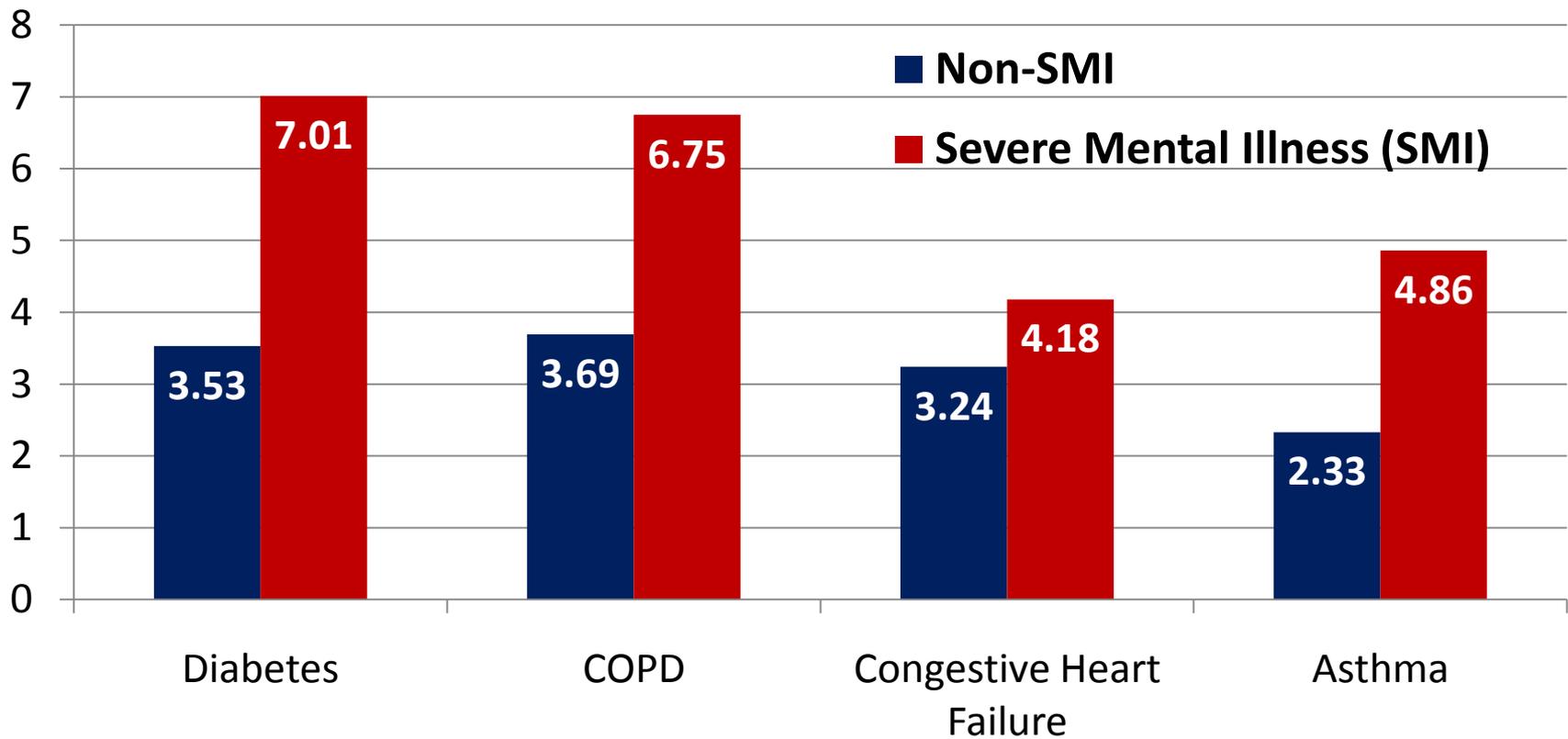
Source: American Hospital Association Annual Survey (March 2010) and population data from Annual Population Estimates, US Census Bureau: <http://www.census.gov/popest/states/NST-ann-est.html>.



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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)



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

The Vision for Better Care Coordination

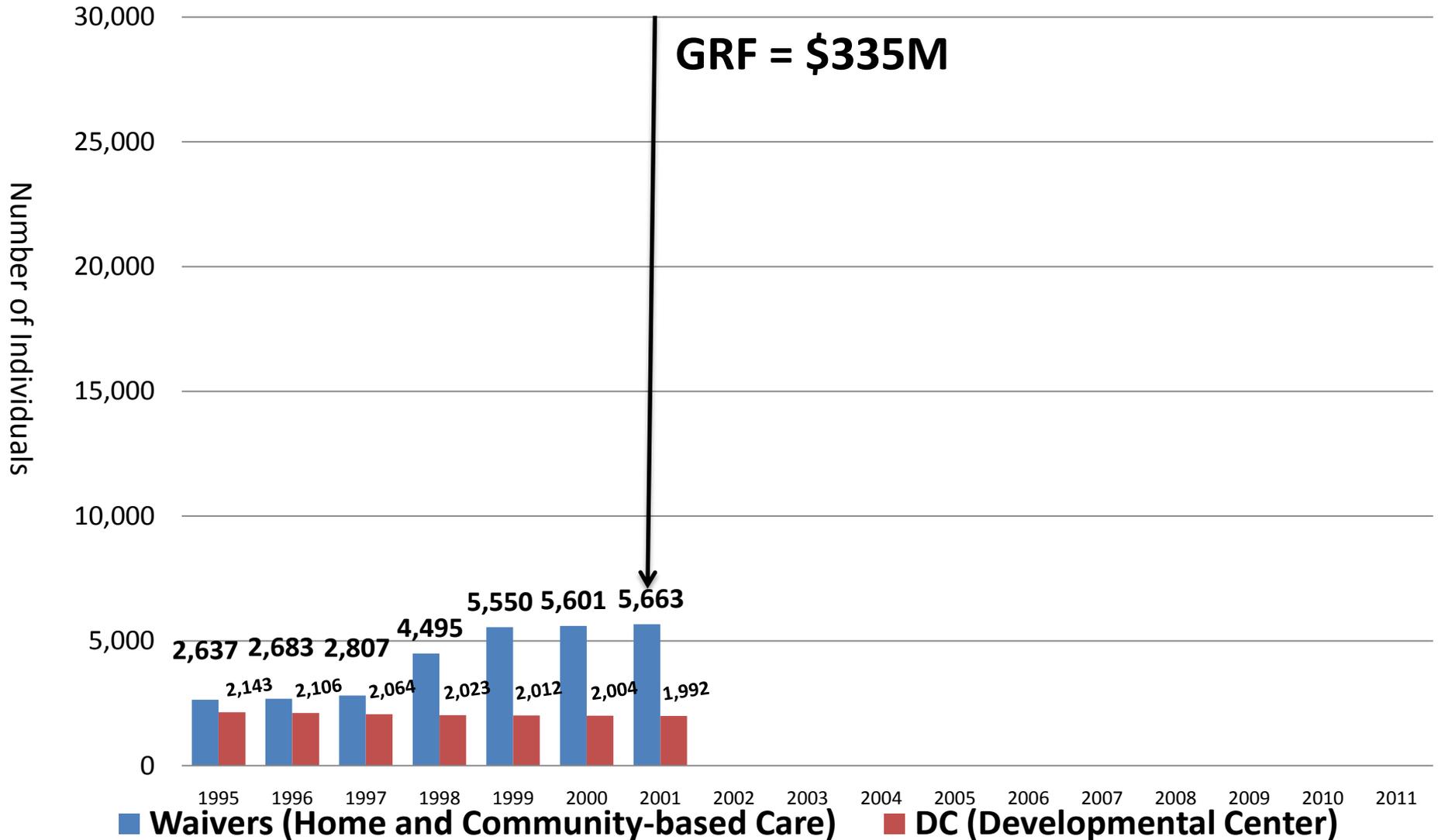
- The vision is to create a person-centered care management approach – not a provider, program, or payer approach
- Services are integrated for all physical, behavioral, long-term care, and social needs
- Services are provided in the setting of choice
- Easy to navigate for consumers and providers
-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

Medicaid Transformation Priorities

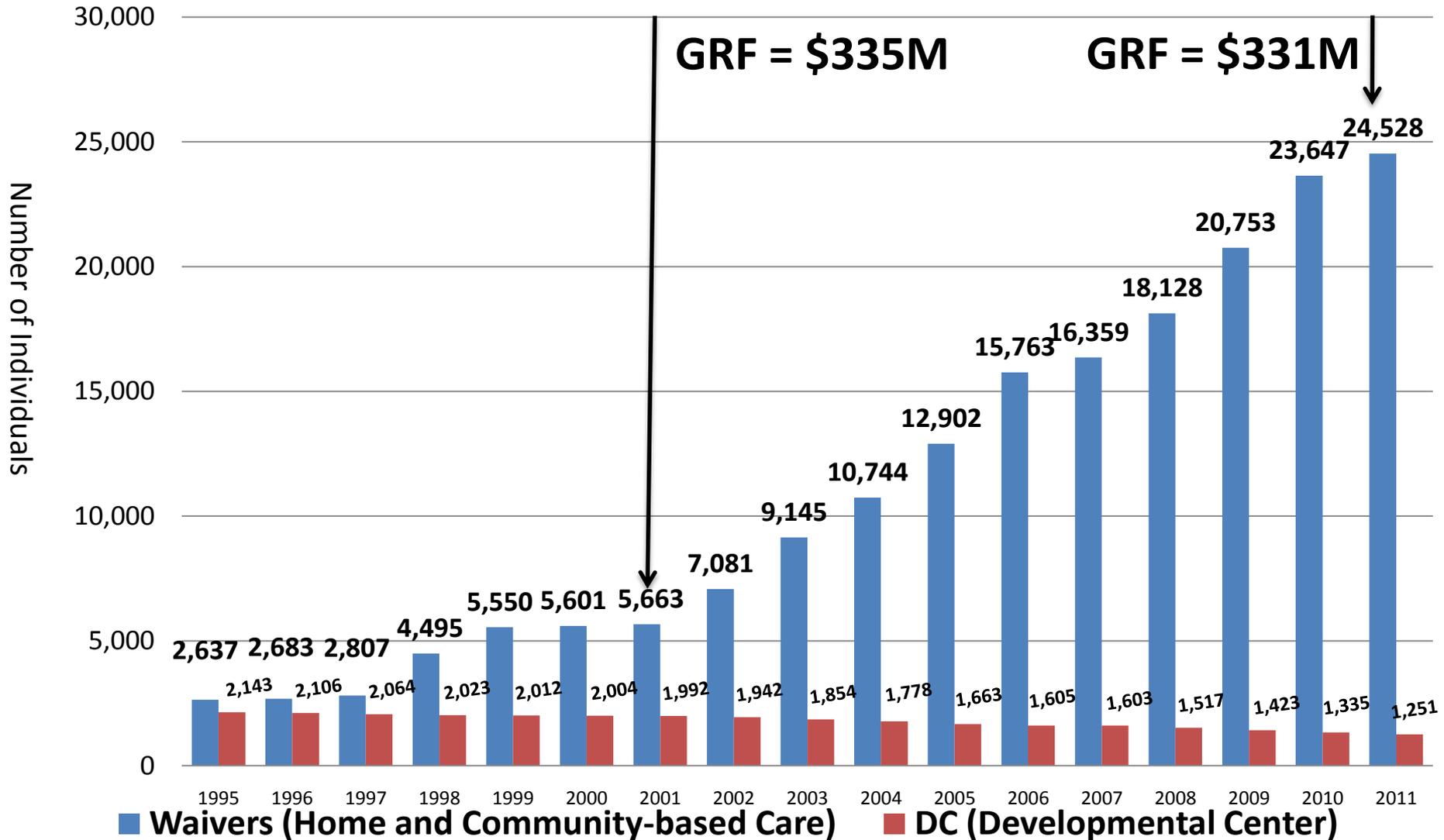
- Improve Care Coordination
- Integrate Behavioral/Physical Health Care
- Rebalance Long-Term Care
- Modernize Reimbursement

www.healthtransformation.ohio.gov

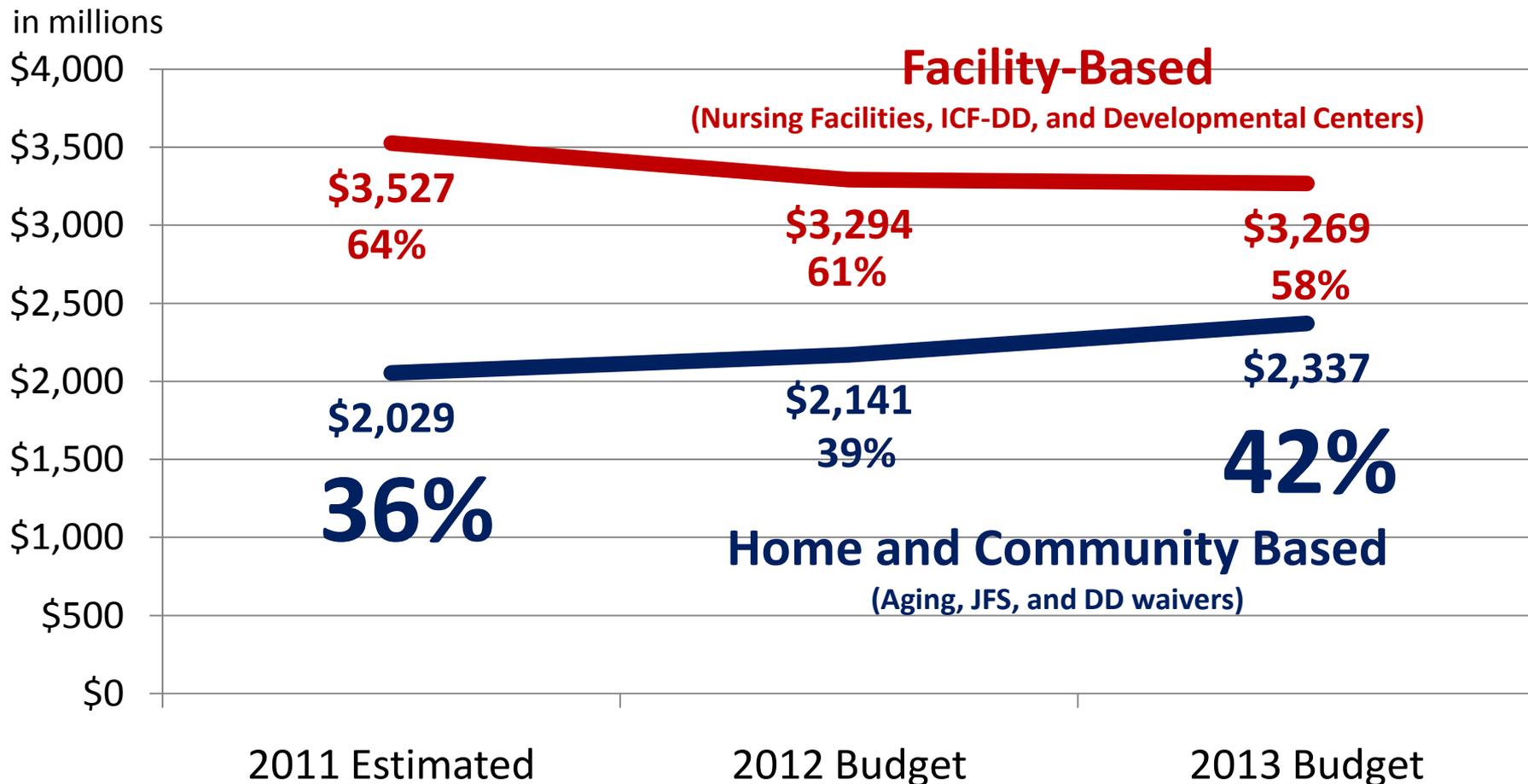
A Case Study in Transformation: Ohio Department of Developmental Disabilities



A Case Study in Transformation: Ohio Department of Developmental Disabilities

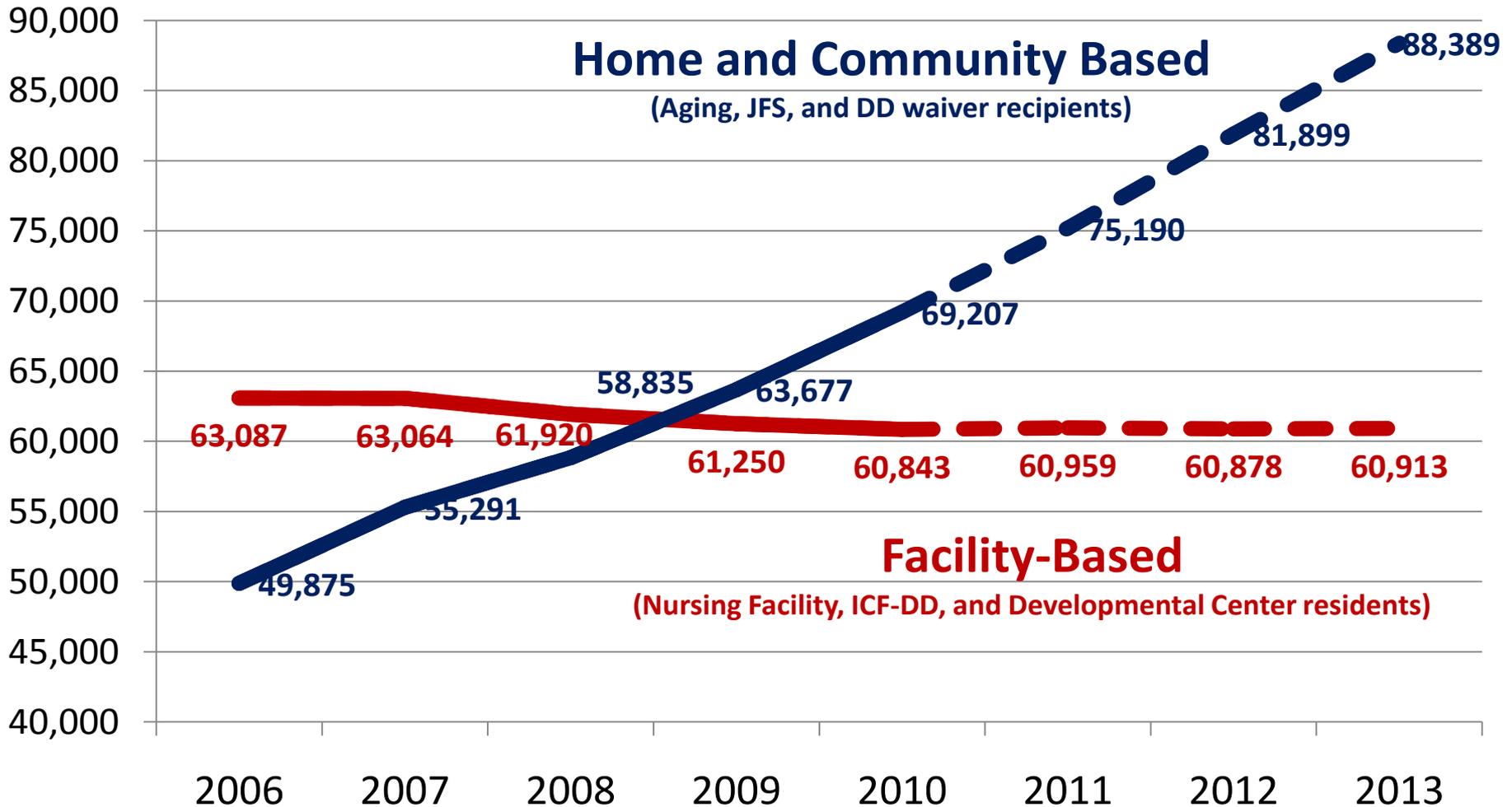


Medicaid Budget: Rebalance Medicaid Spending on Institutions vs. Home and Community Based Services



Medicaid Budget:

Ohio Medicaid Residents of Institutions Compared to Recipients of Home and Community Based Services



THE BLADE

Wednesday, February 9, 2011

Editorial - Medicaid realism

Dayton Daily News

Wednesday, March 9, 2011

Medicaid is 30% of state budget and growing

The Columbus Dispatch

Sunday, May 1, 2011

Editorial: Serve the seniors
Lawmakers should reduce funding to nursing homes, boost in-home services

Sunday, April 3, 2011

AKRON BEACON JOURNAL
Editorial - Ambitious for Medicaid
John Kasich wants to save money. He also has a plan to improve quality and outcomes

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



State Strategies to Improve Health System Performance

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Phase I: Leverage Medicaid Purchasing Power

- Improve Care Coordination
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Phase II: Align Public/Private Sector Health System Priorities

- Get the right information in the right place at the right time
- Make health care price and quality information transparent
- Support regional health system improvement priorities

Opportunities for Alignment

- “Medical Corridor” innovations
- Health insurance exchange (HIX) planning
- Health information exchange (HIE), “meaningful use” payments, and the Ohio Health Information Partnership (OHIP)
- Align state health purchasing priorities
- Put state purchasing power on the table to support regional health system innovation

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Phase III: Leverage Public/Private Sector Purchasing Power

- Pay for value not volume

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

- Patient-Centered Medical Homes?
- Health Homes for People with Chronic Conditions?
- Accountable Care Organizations?
- Other delivery system innovations?

Ohio

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Thank you.

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