



Governor's Office of
Health Transformation

State Leadership in Health Transformation: The Ohio Example

Greg Moody, Director
Governor's Office of Health Transformation

Medicaid Innovations Forum
February 9, 2012

Health Transformation Activity Streams

“Very high costs with very poor outcomes”

“Ohio ranks 42 in health outcomes”

“Ohio outspends all but 13 states”

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Problems

Policies

Politics

Policy Window

“New Governor”

“Term limits”

“No new taxes”

“Strong health lobbies”

“Economic downturn”

“Fraud, waste and abuse”

“Expiring Medicaid stimulus”

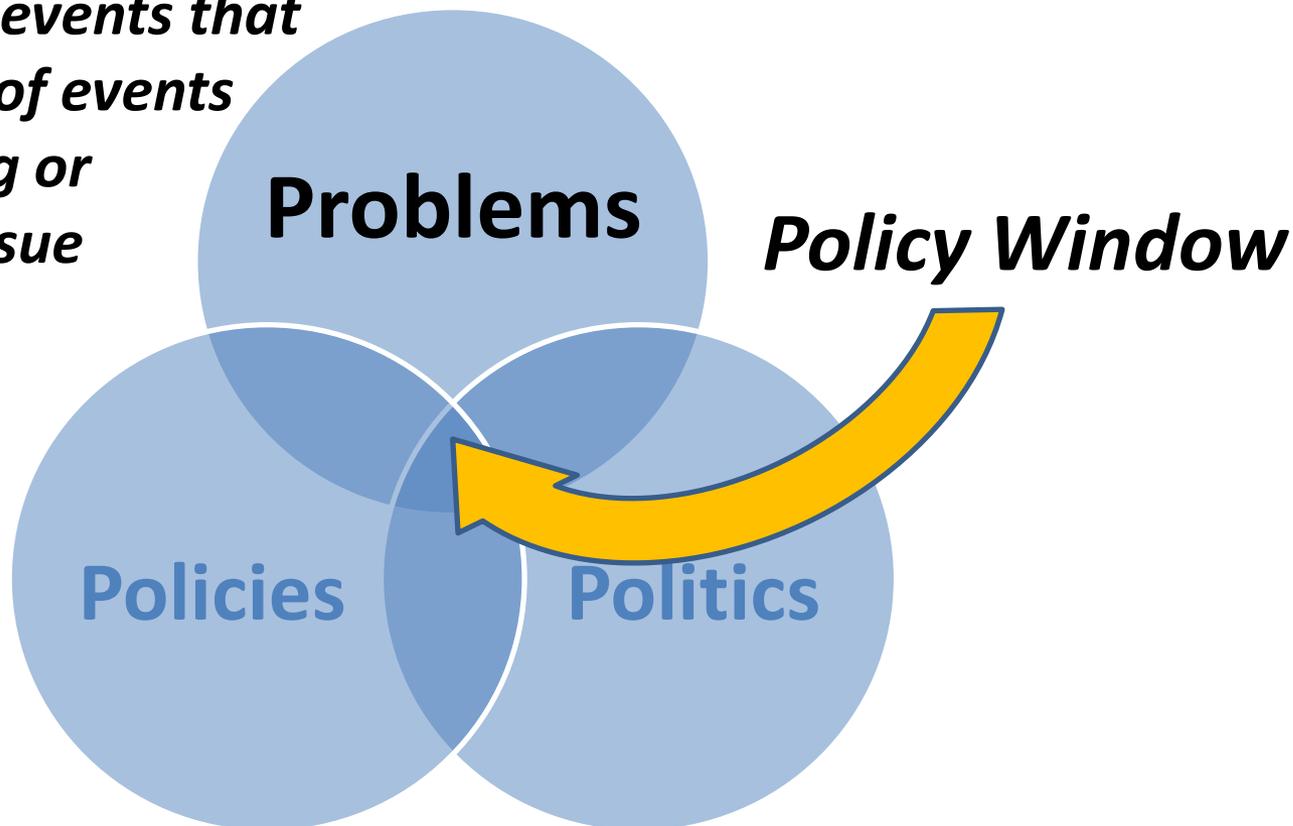
“Provider and consumer fear of change”

“Affordable Care Act vs. Obamacare”

“Medicaid is 30% of Ohio budget and growing”

Health Transformation Activity Streams

Information and events that unchain a series of events related to placing or eliminating an issue from the agenda



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



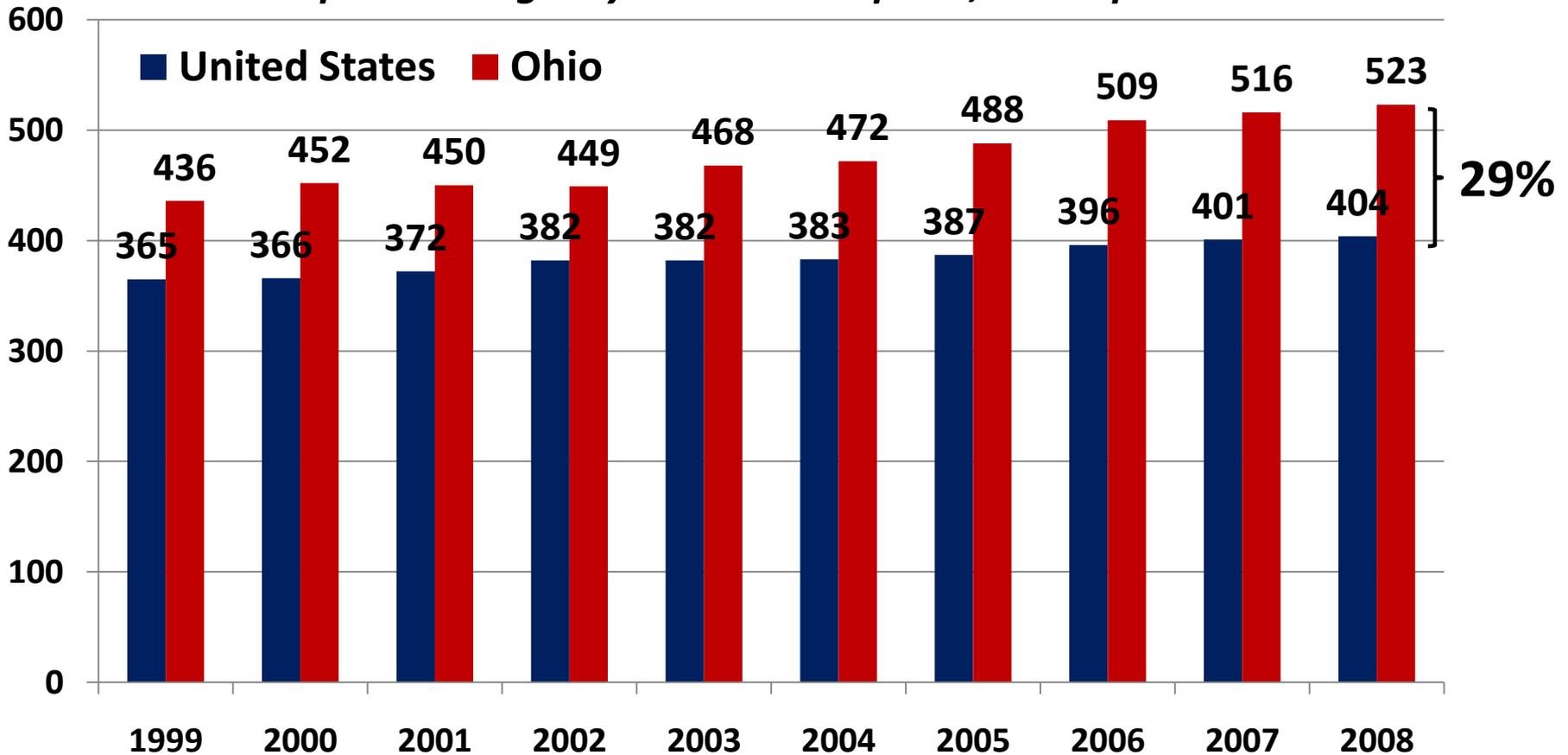
Medical Hot Spot: Per Capita Health Spending: Ohio vs. US

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



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

Hospital Emergency Room Visits per 1,000 Population



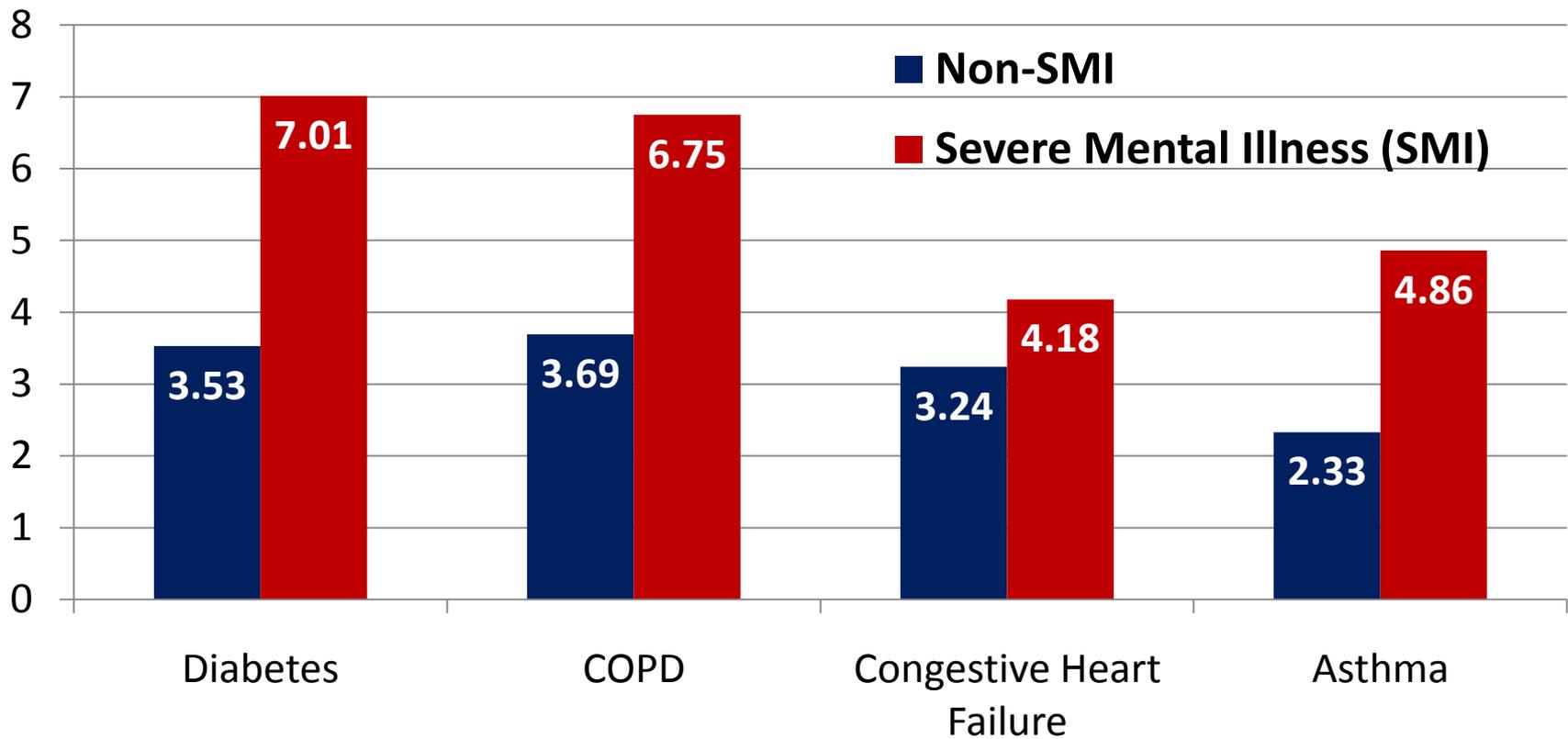
Source: American Hospital Association Annual Survey (March 2010) and population data from Annual Population Estimates, US Census Bureau: <http://www.census.gov/popest/states/NST-ann-est.html>.



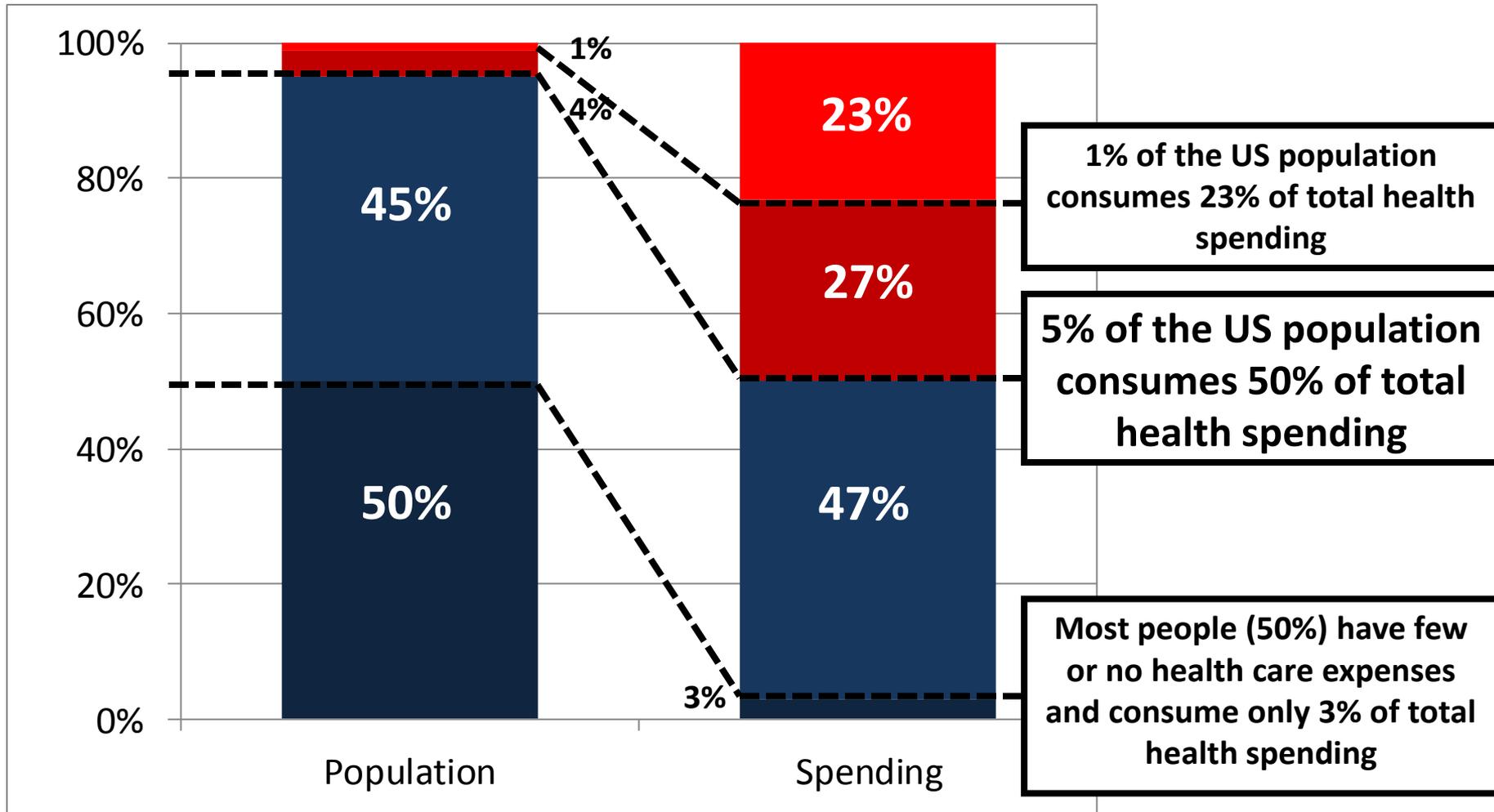
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Medicaid Hot Spot: Hospital Admissions for People with Severe Mental Illness

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



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



Health Care System Choices

Fragmentation

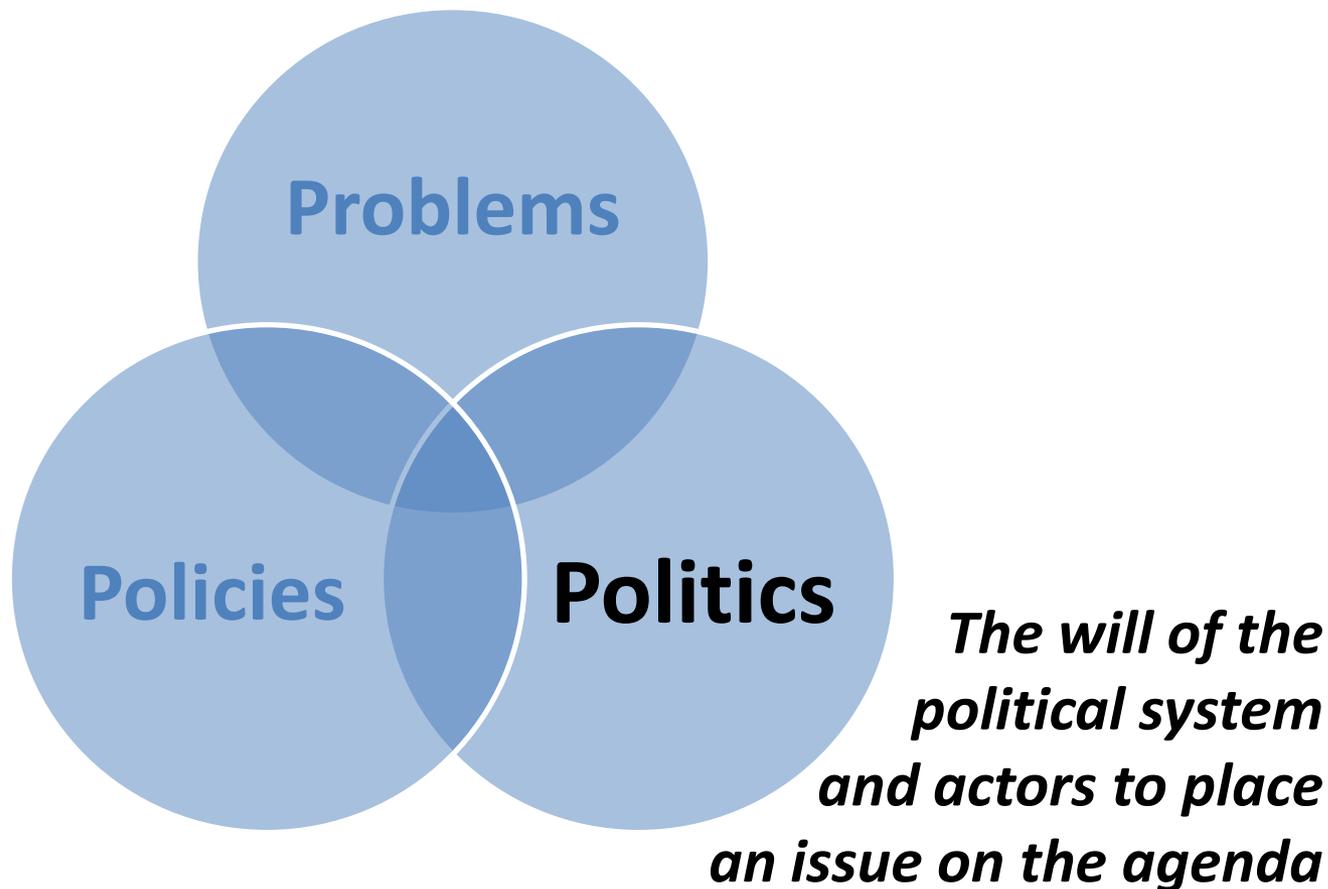
vs.

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

Health Transformation Activity Streams



Federal Health Care Reform

“Affordable Care Act”

**“We are answering the call
of history”**

– President Barack Obama

**“National health reform will
save Maryland \$1 billion
over 10 years.”**

– Governor Martin O’Malley

**41 percent of Americans
favor the new reform law**

– Kaiser Family Foundation

“Obamacare”

It’s “Armageddon”

– Rep. John Boehner

**“Federal reform will increase
Virginia Medicaid spending \$1
billion over 12 years”**

– Governor Bob McDonnell

**43 percent of Americans do
not favor the new reform law**

– Kaiser Family Foundation

Sources: The White House, FOX News, Washington Post (March 21, 2010); and Kaiser Family foundation *Health Tracking Poll* (conducted December 2011)

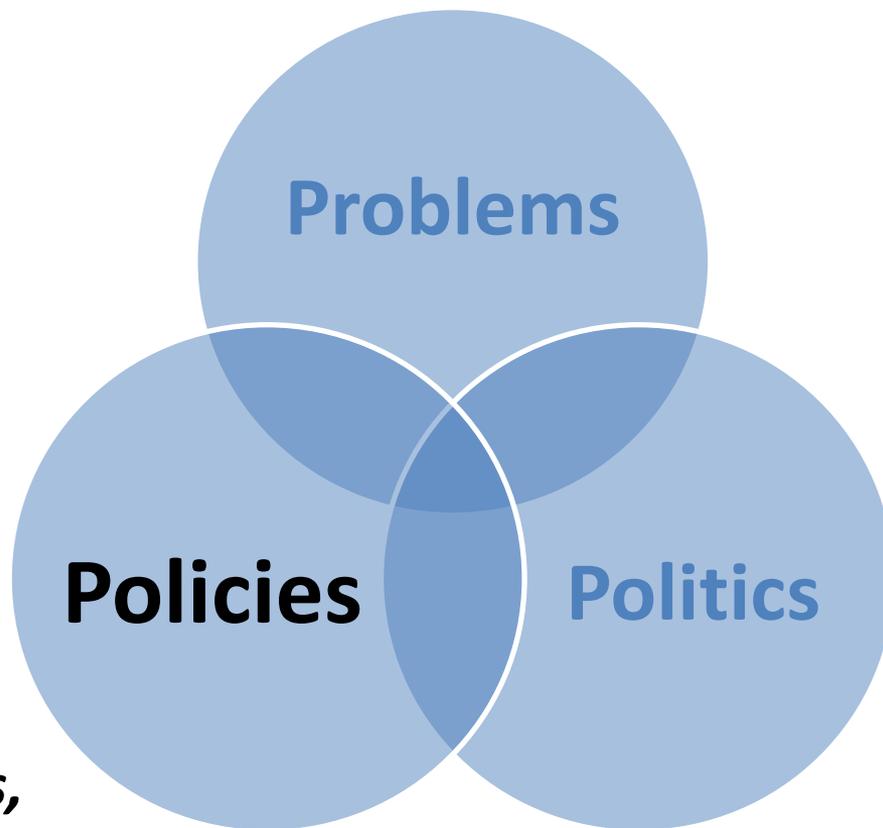
Ohio's Health Policy Environment

- New leadership + consensus about what works = ***quick and decisive action***
- \$8 billion state budget gap + no new taxes = ***necessity for innovation***
- Consumer preferences + taxpayer interests = ***challenge providers to provide better value***
- Powerful lobbyists - crossing the line = ***momentum for Administration policies***

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

— Governor John Kasich

Health Transformation Activity Streams



Knowledge or advice derived from researchers, advisors, and analysts that offer alternatives or solutions

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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](#)

If I had asked people what they wanted, they would have said faster horses.

— Henry Ford

Our Vision for Better Care Coordination

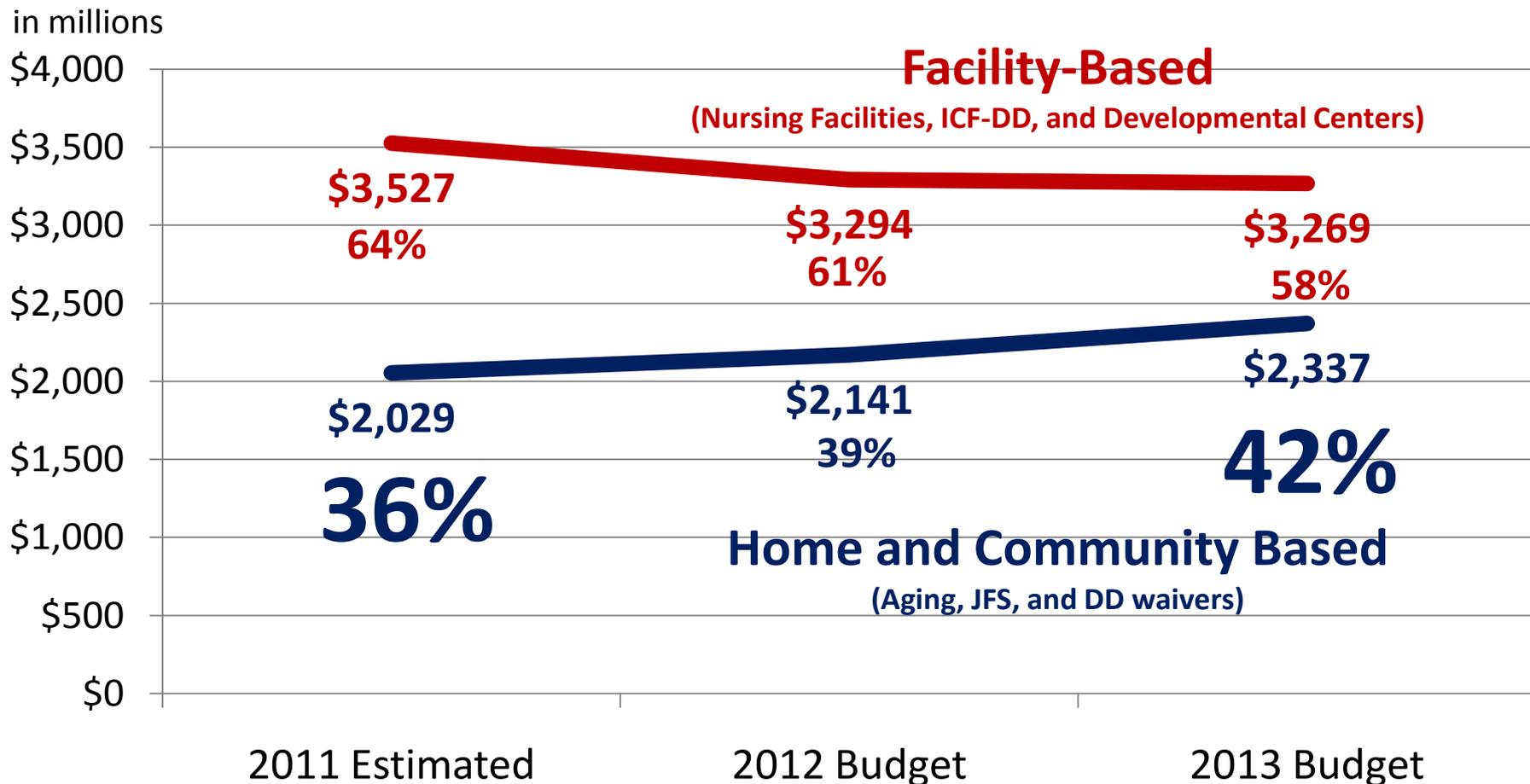
- The vision is to create a person-centered care management approach – not a provider, program, or payer approach
- Services are integrated for all physical, behavioral, long-term care, and social needs
- Services are provided in the setting of choice
- Easy to navigate for consumers and providers
-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

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

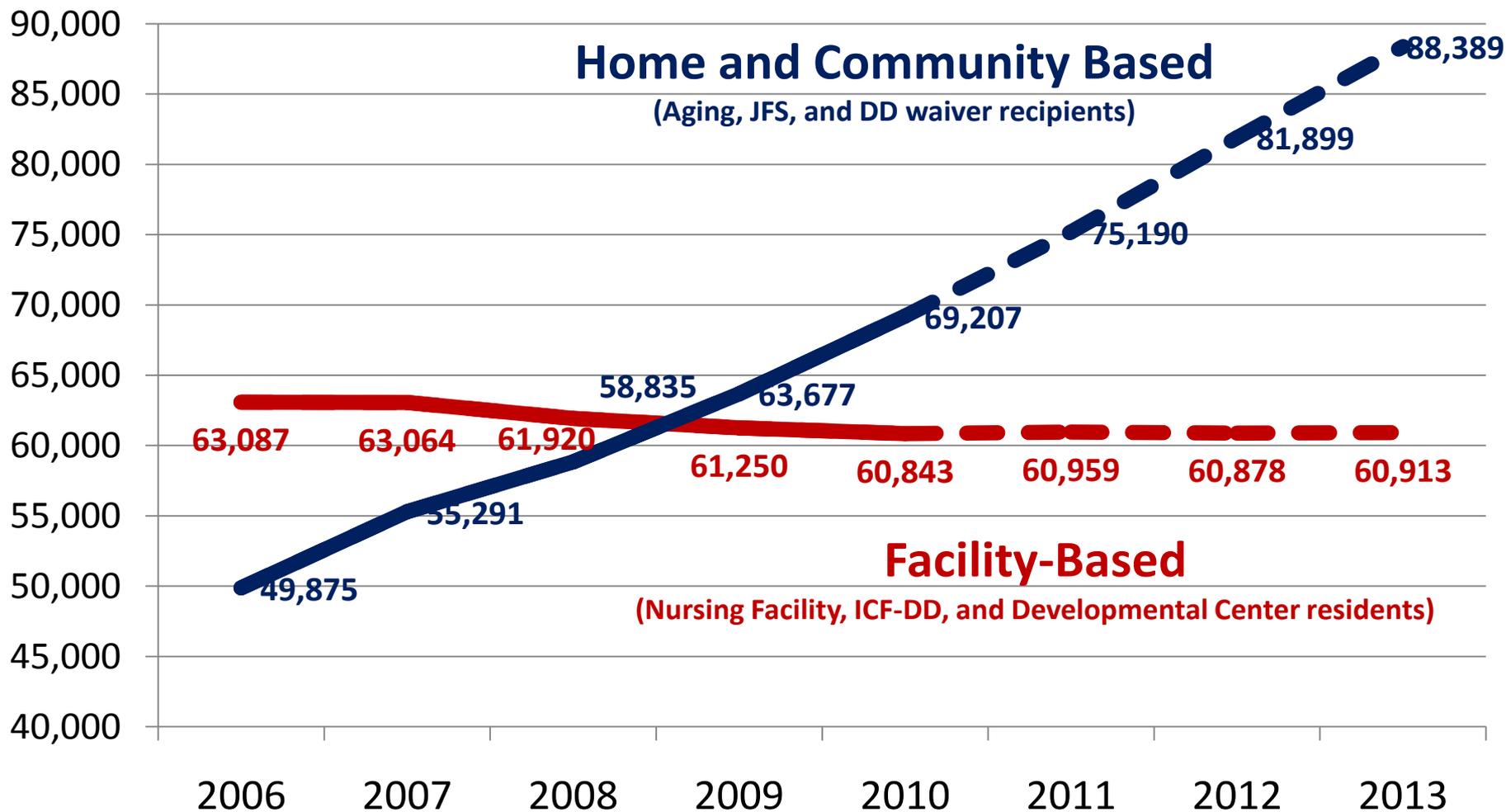
- Improve Medicaid managed care plan performance
- Provide accountable care for children
- Encourage Patient-Centered Medical Homes
- Create health homes for people with mental illness
- Integrate Medicare and Medicaid benefits
- Streamline home and community based services
- Rebalance long-term care

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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

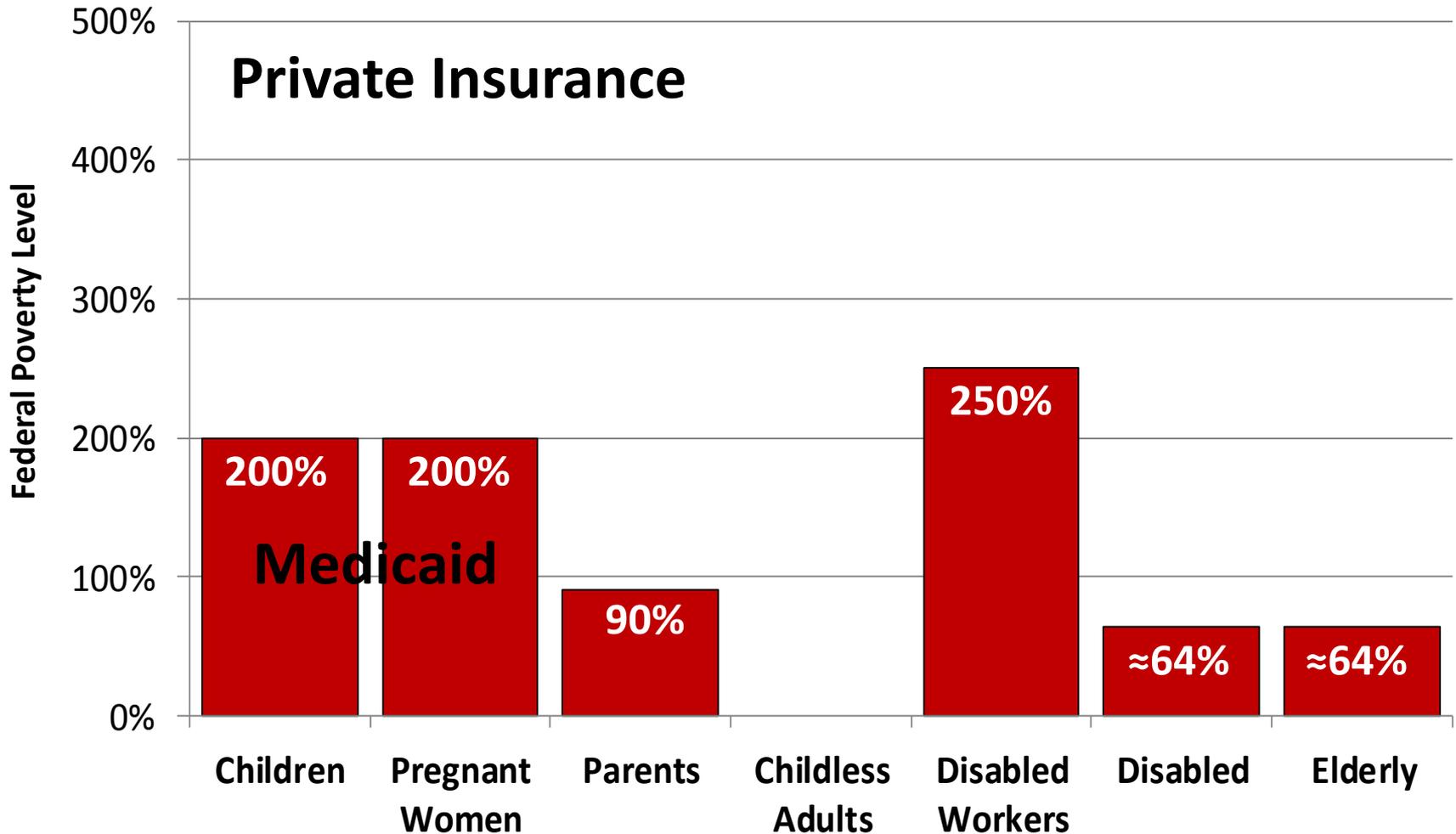


Ohio Health Transformation Priority 2012: **Streamline Health and Human Services**

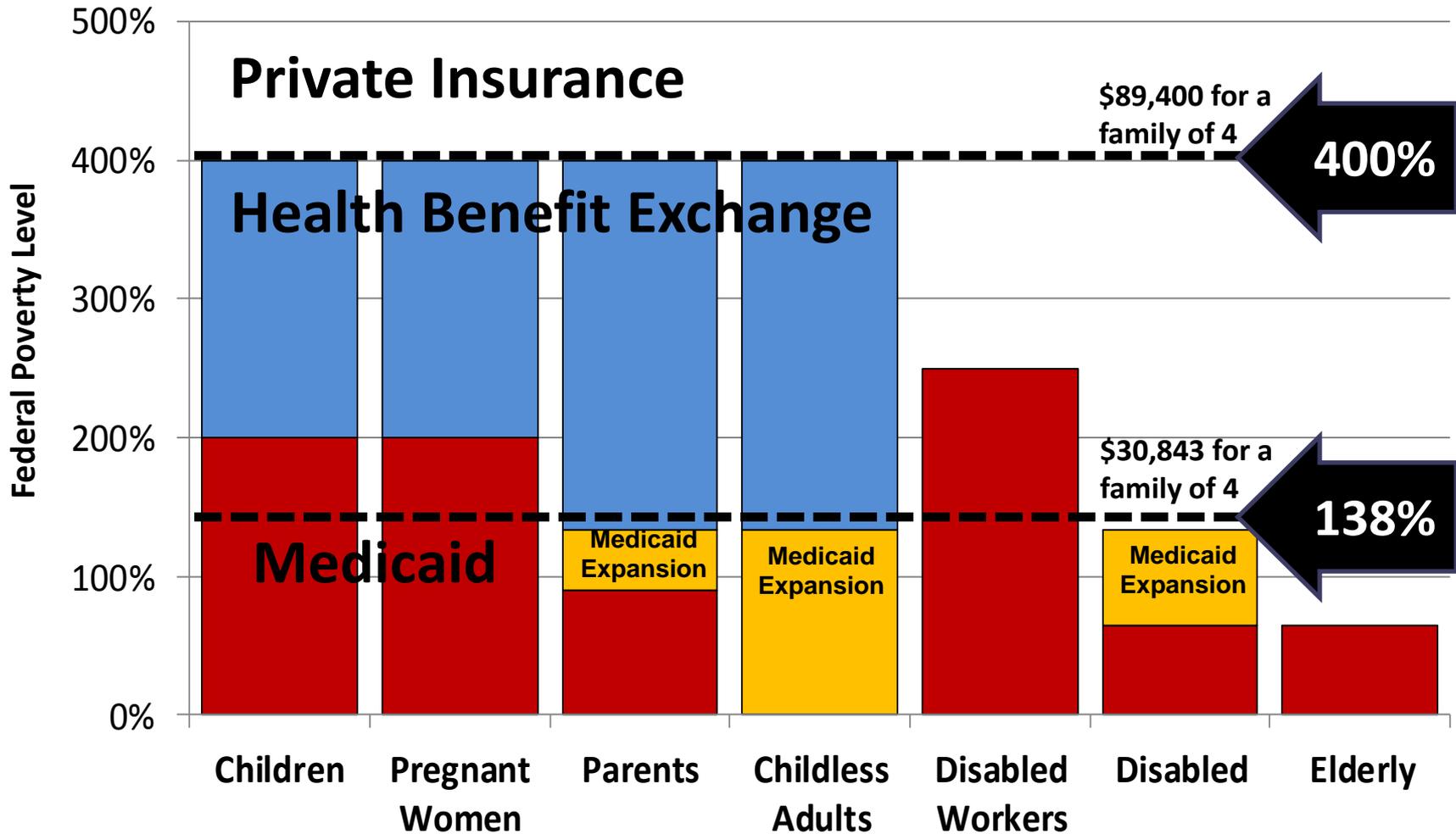
- Modernize eligibility determination systems
- Share information across state/local data systems
- Integrate claims payment systems
- Plan Ohio's health insurance exchange
- Accelerate electronic health information exchange

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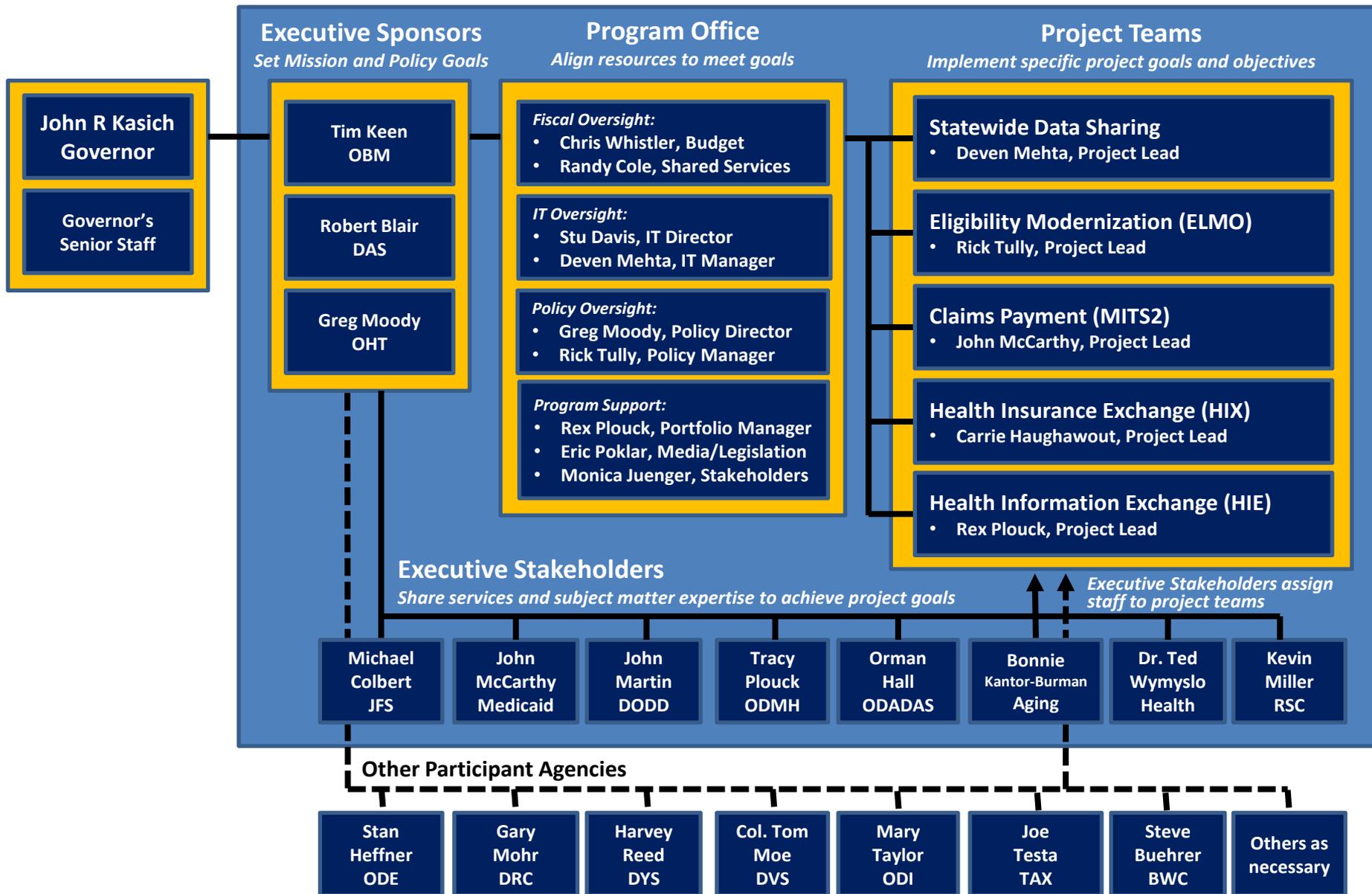
Federal Reform: Current Medicaid Income Eligibility Levels



Federal Reform: 2014 Health Coverage Expansions



Ohio Health and Human Services Cabinet



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

Health Transformation Priority 2013: 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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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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What will deliver better health for Ohioans and cost savings for Ohio businesses?

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

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Thank you

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