



**Governor's Office of
Health Transformation**

Building Momentum: Next Steps to Improve Overall Health System Performance

Greg Moody, Director
Governor's Office of Health Transformation

Sisters of Charity Health System and Walsh University
October 17, 2011



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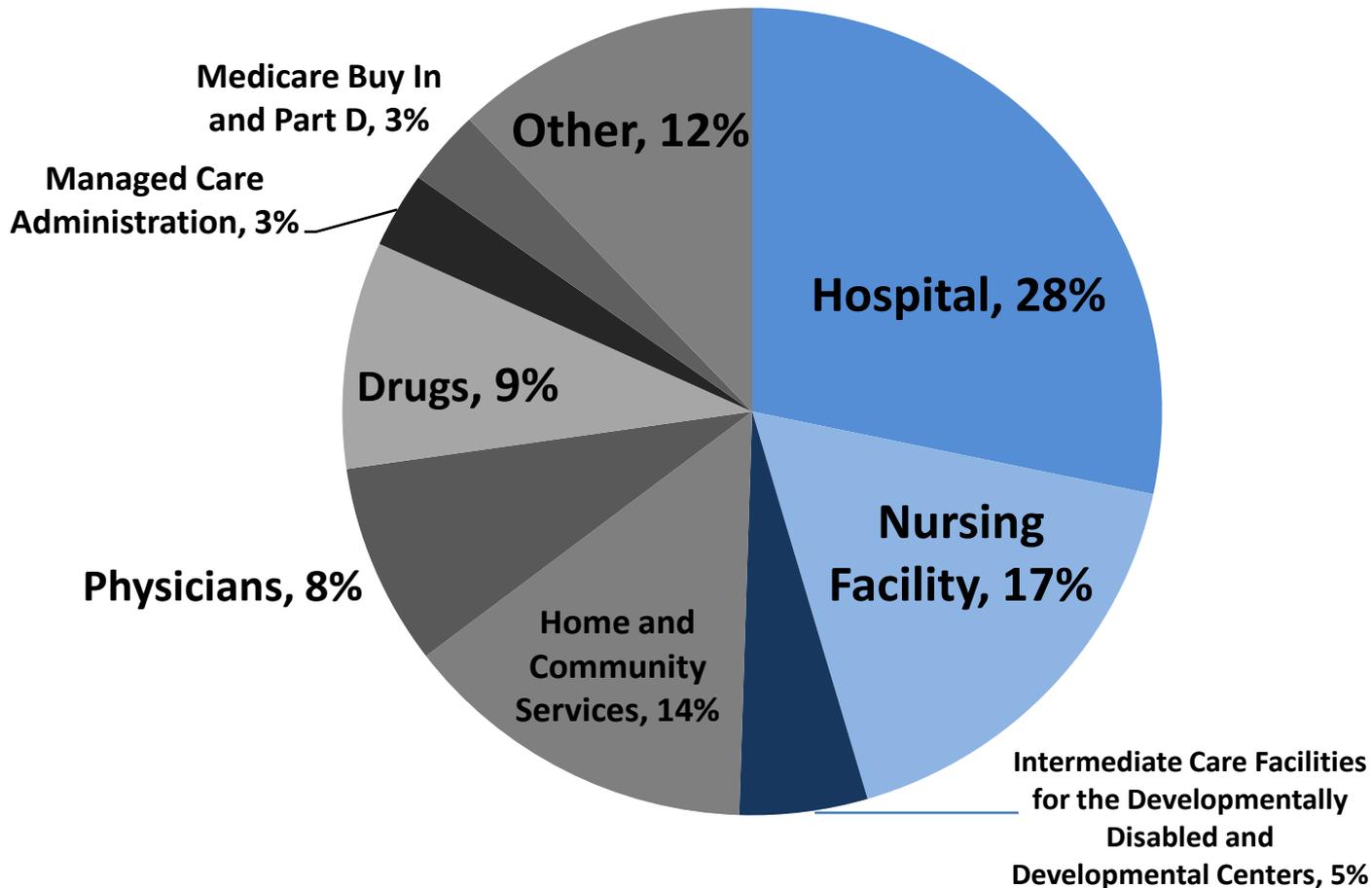
- 1. Modernize Medicaid,**
- 2. Streamline health and human services, and**
- 3. Engage private sector partners to set clear expectations for overall health system performance**

Medicaid is Ohio's Largest Health Payer

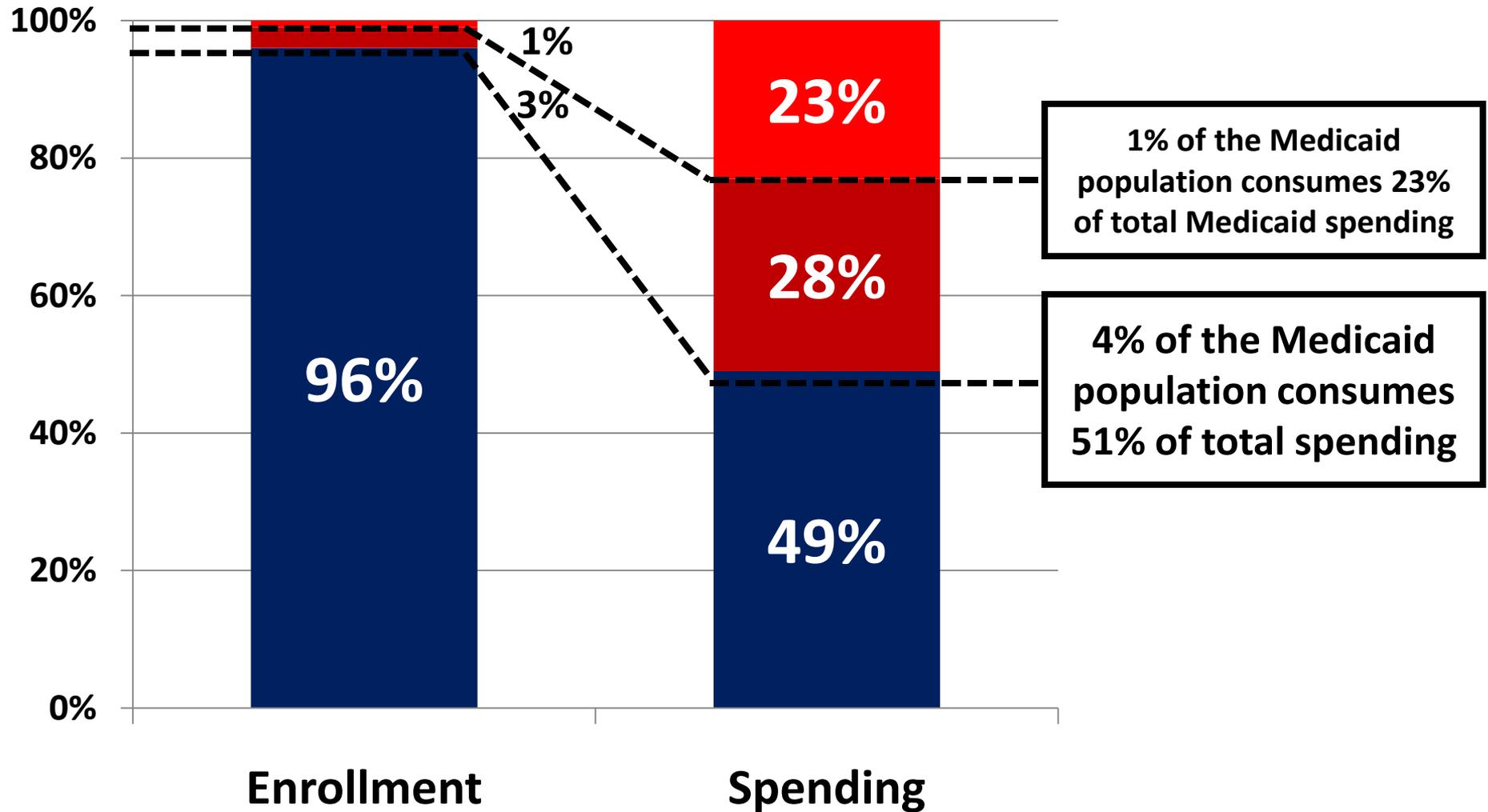
- Provides health coverage for low-income children, parents, seniors, and people with disabilities
- Covers 2.2 million Ohioans (1 in 5) including 2 in 5 births¹
- Spends \$18 billion annually all agencies, all funds (SFY 2011) ¹
- Accounts for 4.0% of Ohio's total economy and is growing²
- Funds are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



Total Ohio Medicaid Expenditures, SFY 2010



A few high-cost cases account for most Medicaid 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- Outdated information technology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

MEDICAL REPORT

THE HOT SPOTTERS

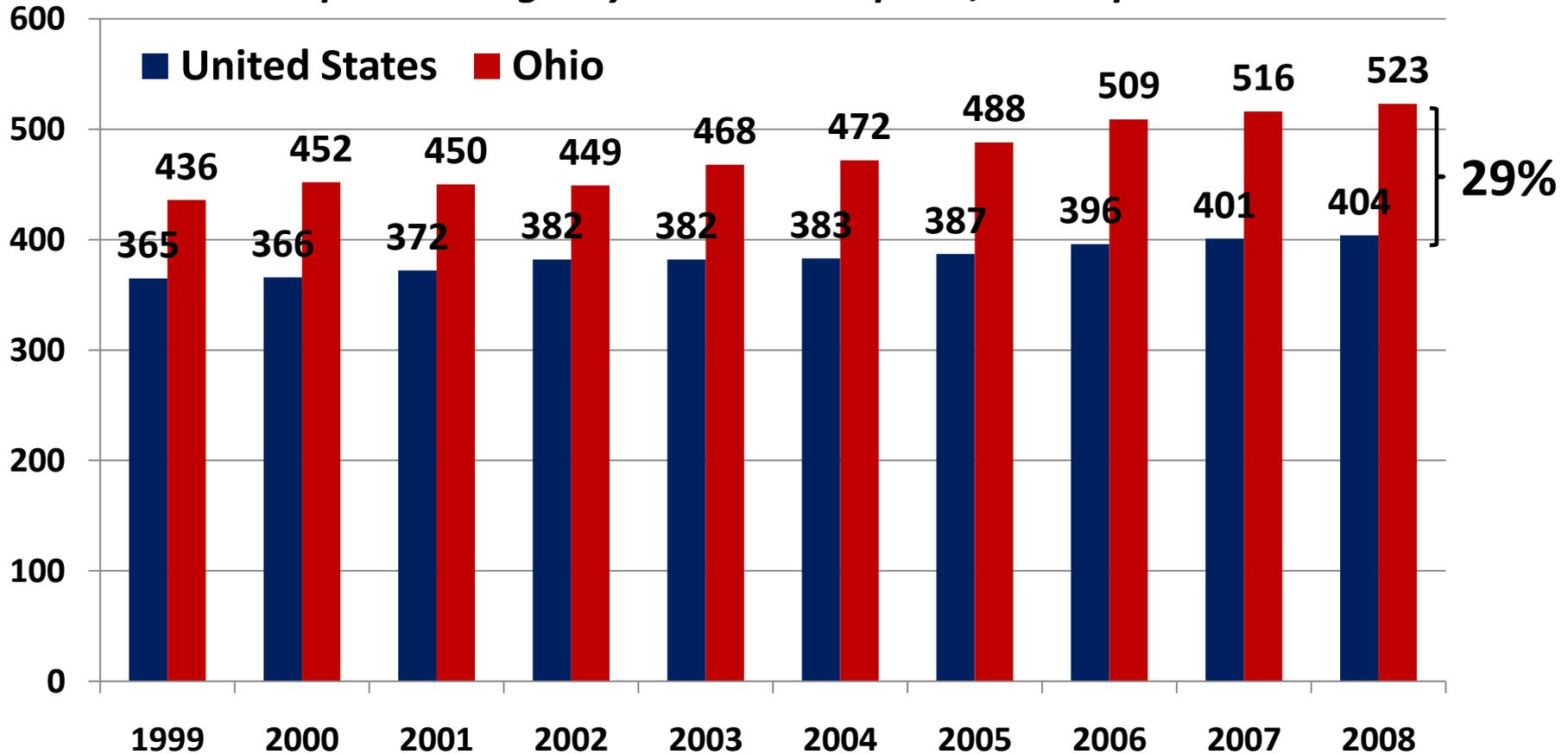
Can we lower medical costs by giving the neediest patients better care?

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



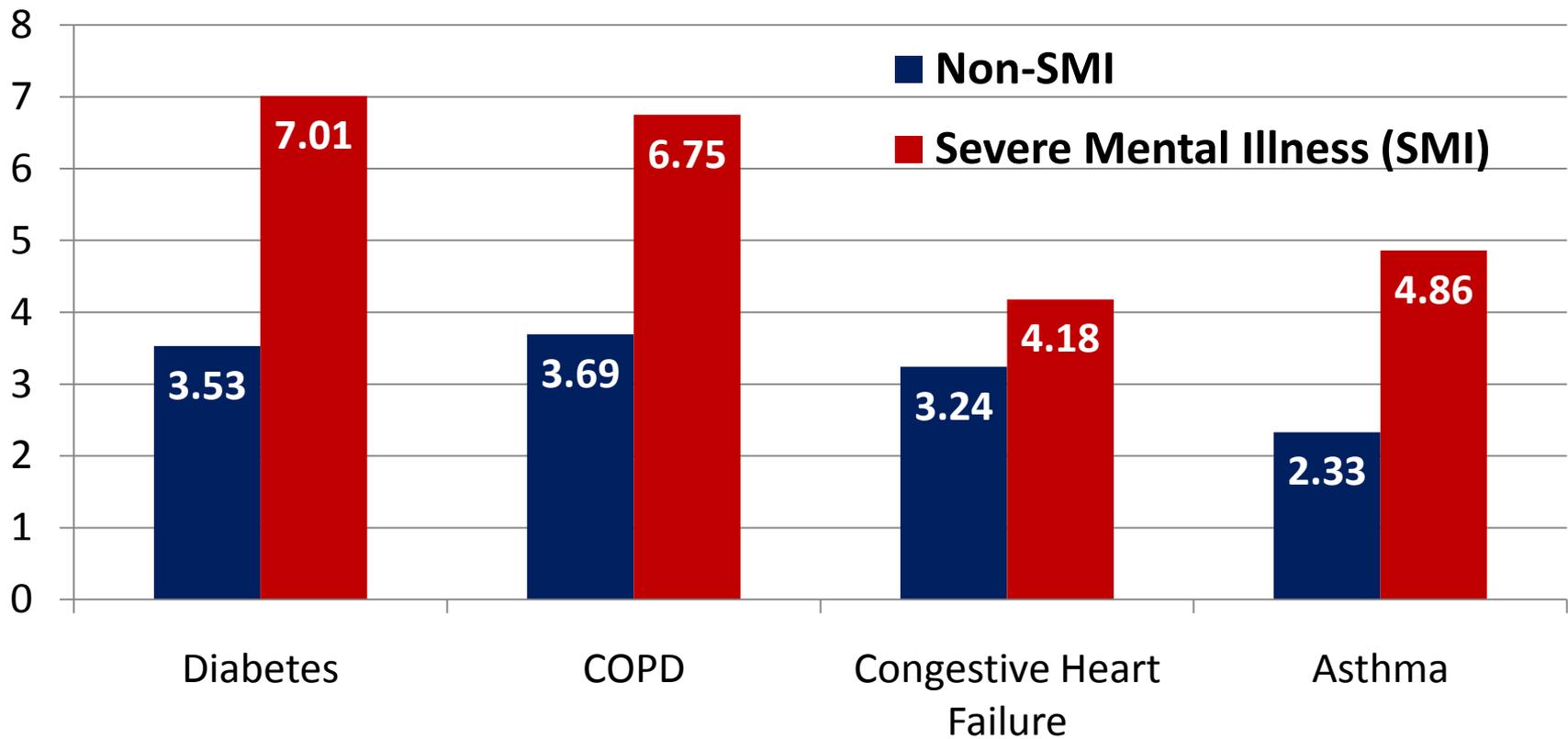
Source: American Hospital Association Annual Survey (March 2010) and population data from Annual Population Estimates, US Census Bureau: <http://www.census.gov/popest/states/NST-ann-est.html>.



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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)



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

Medicaid Transformation Priorities

 Improve Care Coordination

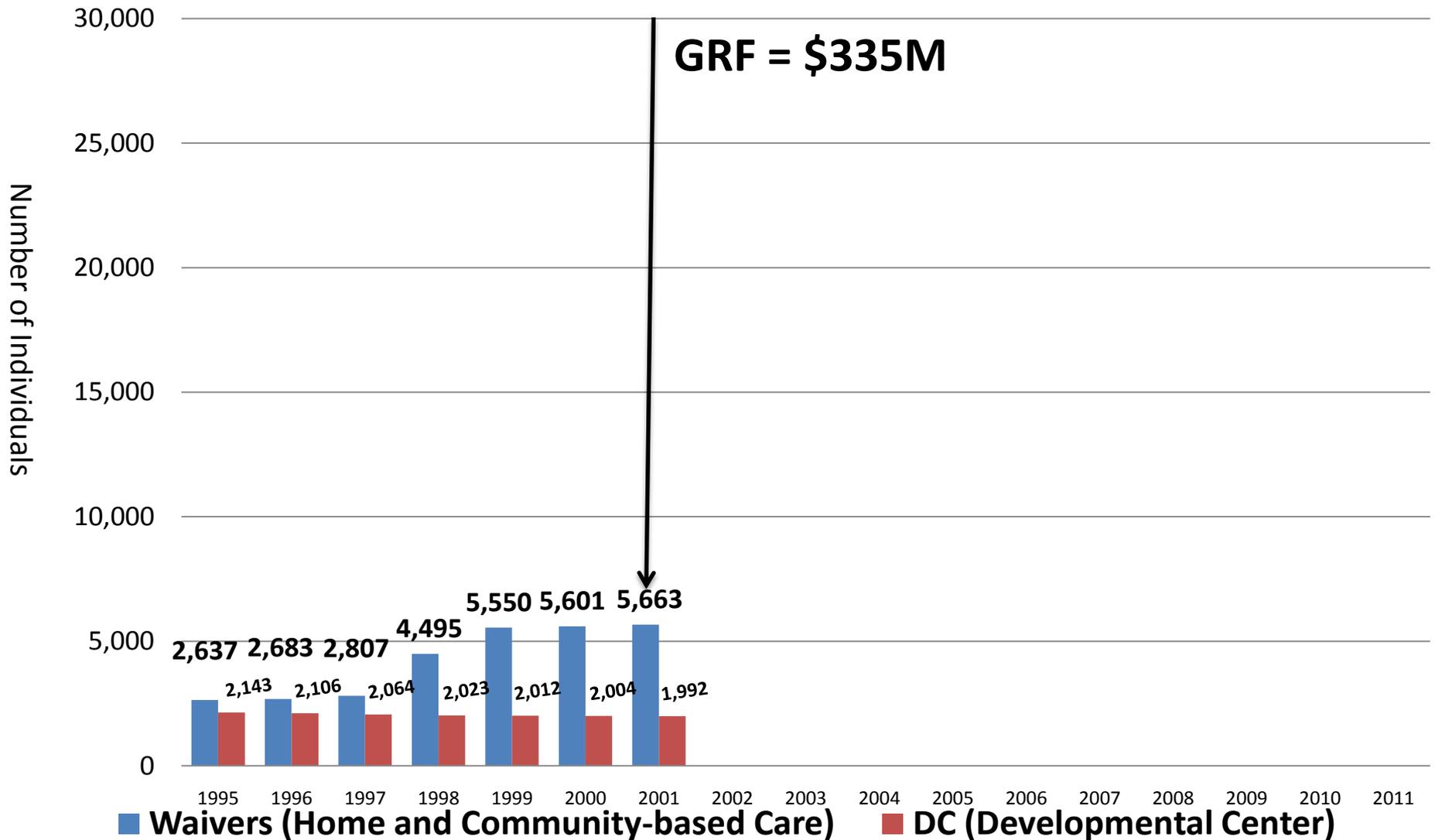
 Integrate Behavioral/Physical Health Care

 Rebalance Long-Term Care

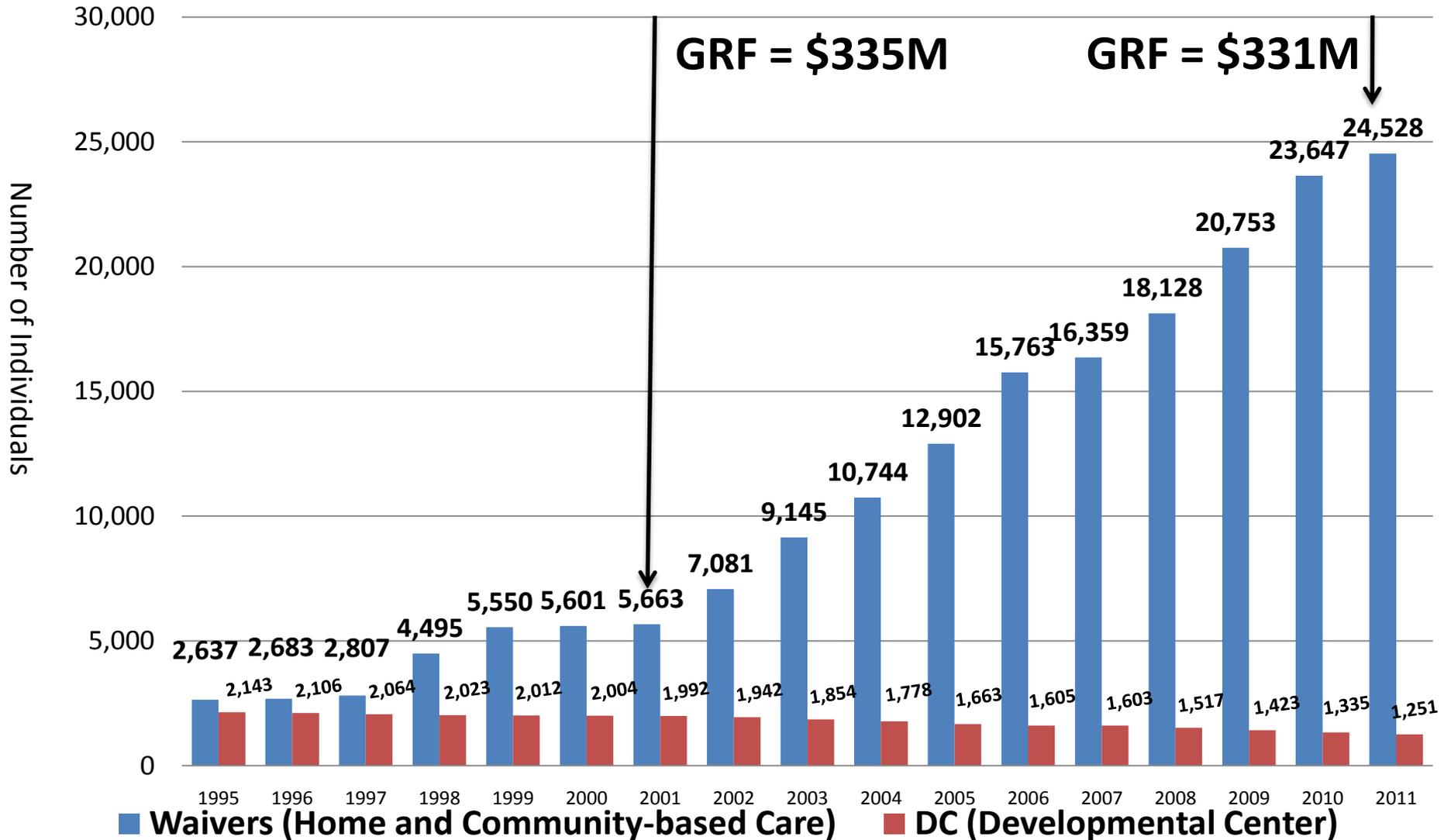
 Modernize Reimbursement

www.healthtransformation.ohio.gov

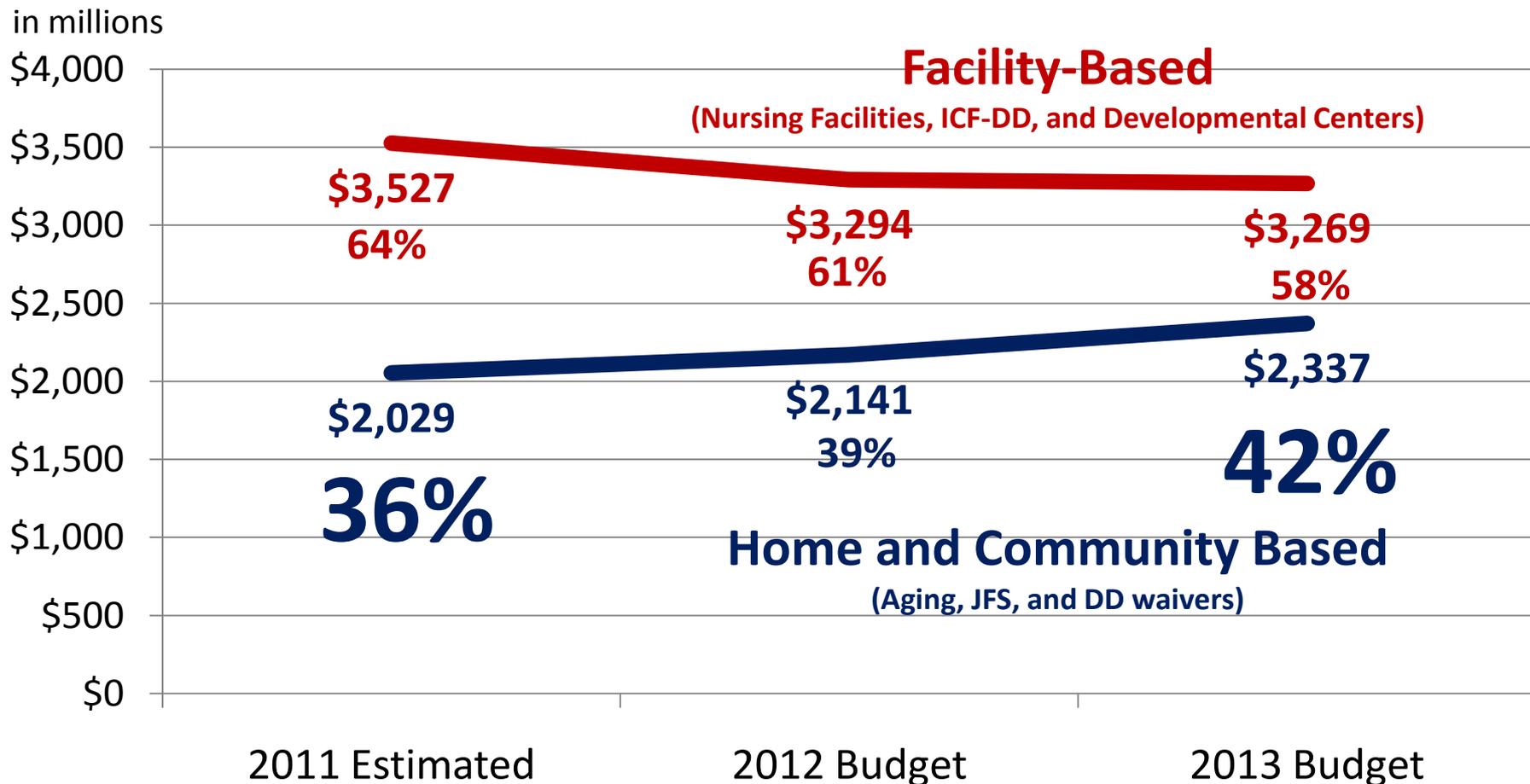
A Case Study in Transformation: Ohio Department of Developmental Disabilities



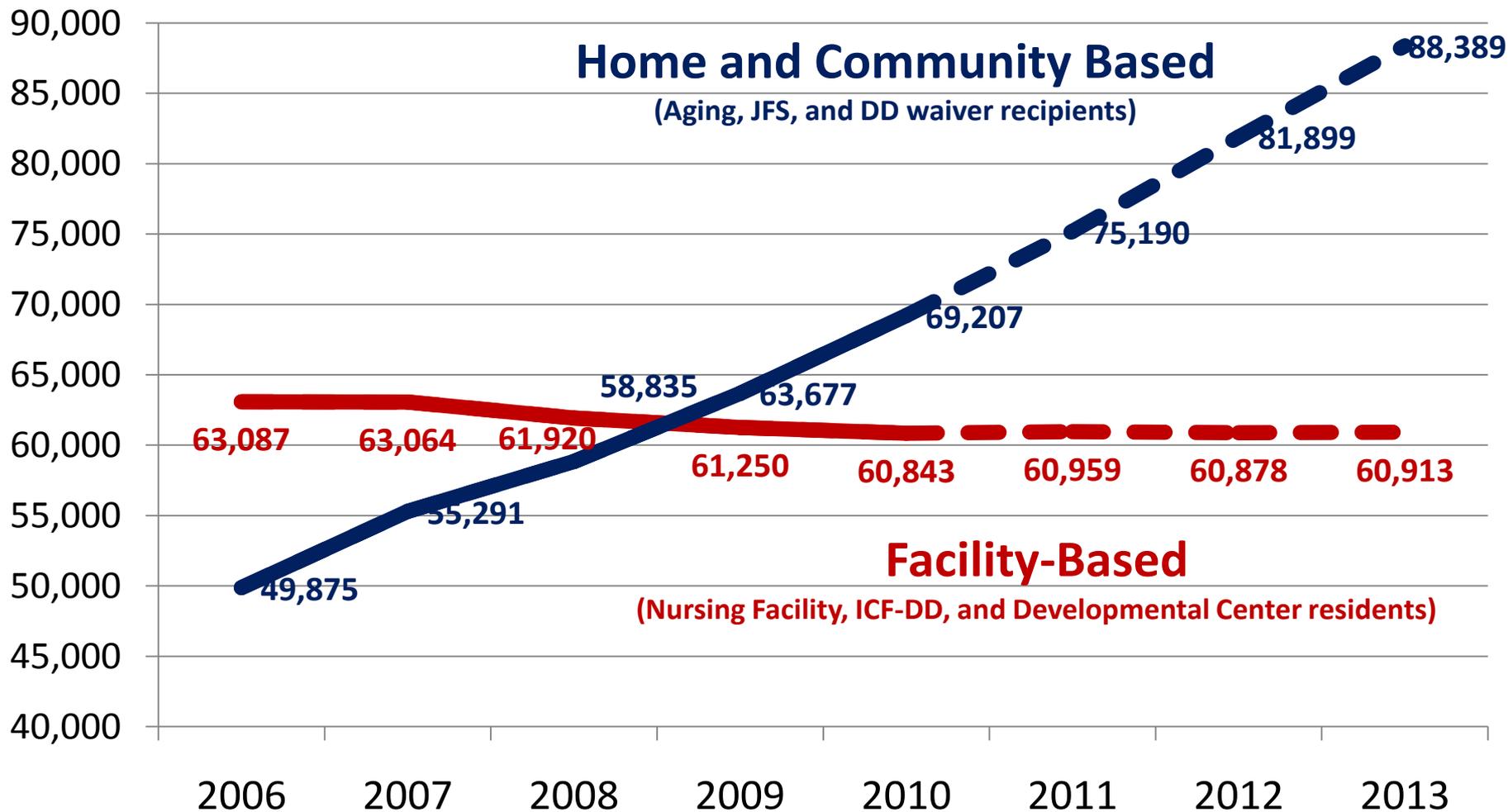
A Case Study in Transformation: Ohio Department of Developmental Disabilities



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



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Ohio HHS policy, spending and administration is split across multiple state and local jurisdictions

This inefficient structure impedes innovation and lacks a clear point of accountability

We need to share services to increase efficiency and right-size state and local service capacity

Only after program and operational alignment occurs will governance changes make sense

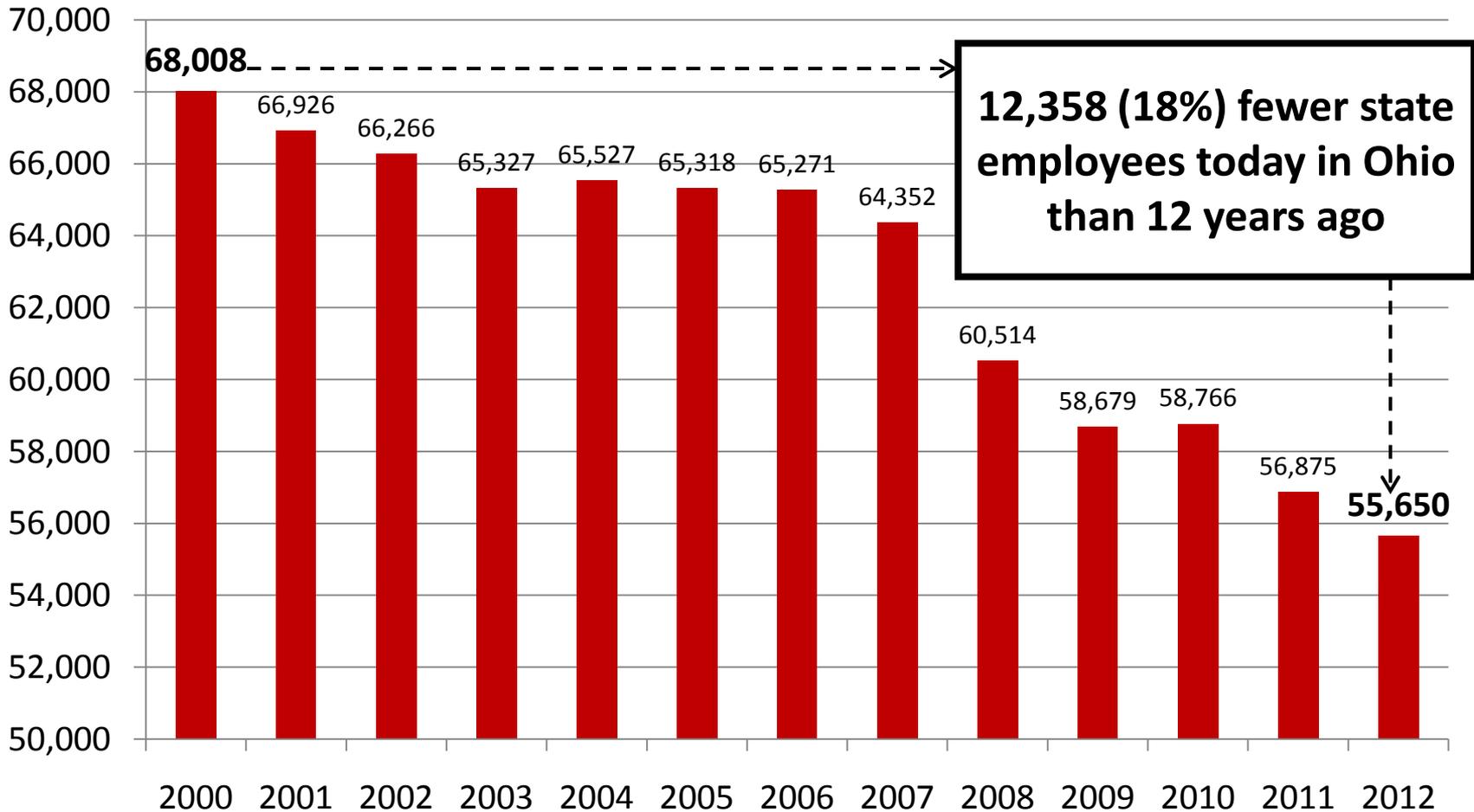
Health and Human Service System Choices

Program-Centered vs. Person-Centered

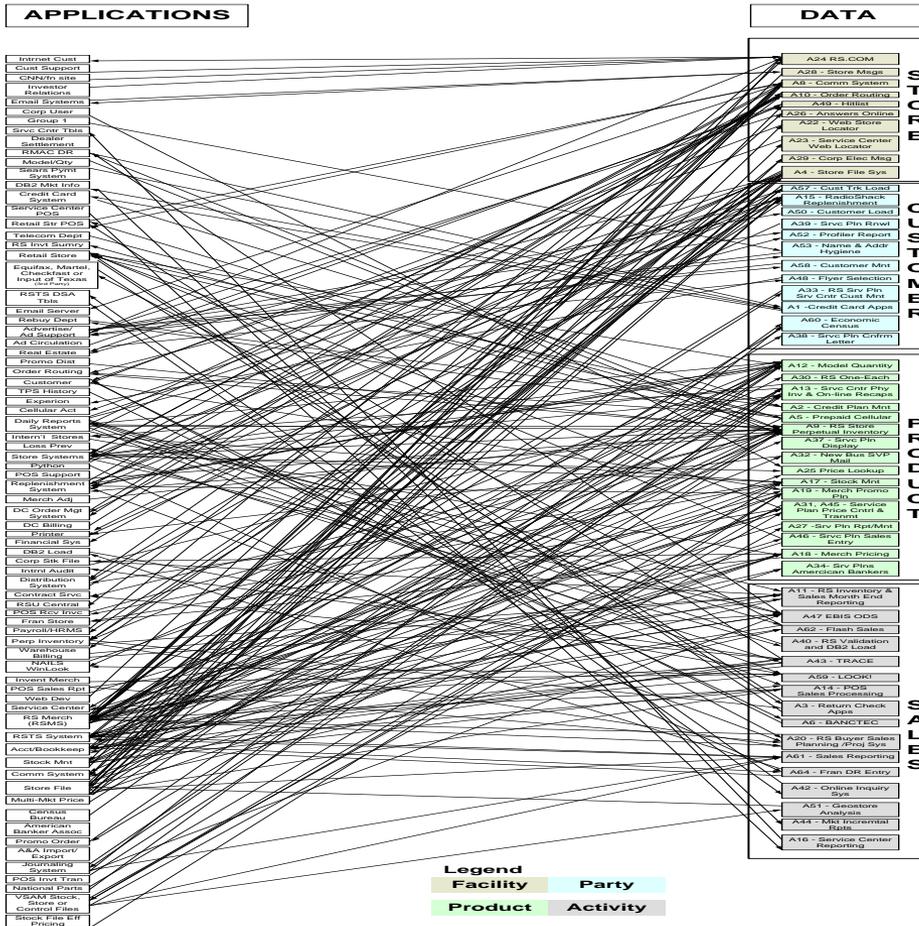
- Service and benefit centered
- Program specific services
- Complicated categorical eligibility
- Resource and process “counts”
- No clear point of accountability
- Deficit (problem) based model
- Compliance and control
- Bureaucratic

- Client/patient/person centered
- Integrated and coordinated services
- Streamlined income eligibility
- “Return on investment”
- Enterprise performance measures
- Strength (asset) based model
- Business intelligence
- Entrepreneurial

Operational Hot Spot: Historic downward trend of state employee population



Operational Hot Spot: Point to Point Information Systems



- Labor intensive and costly to maintain
- No “single version of the truth”
- Data locked in silos
- Multiple data formats and data entry points
- Incompatible and inconsistent business data

Operational Hot Spot: Eligibility Determination

Fragmented

- 88 county offices, each with different processes, results in inconsistent application of eligibility rules
- Two separate processes to determine disability (JFS and RSC) results in duplication and excessive cost

Overly Complex

- 160 categories of eligibility – just for Medicaid

Outdated technology

- CRIS-E is more than 30 years old
- Programmed in outdated computer language and cannot link with other health insurance programs

HHS Transformation Priorities



Consolidate funding and control of Medicaid programs to be more efficient (HB 153)

- Consolidate HHS operations, including eligibility determination, enterprise decision support, and claims payment (planning now)
- Align cross-cutting initiatives, including housing, workforce, and early childhood (ongoing)
- After operational alignment, recommend a permanent HHS governance structure

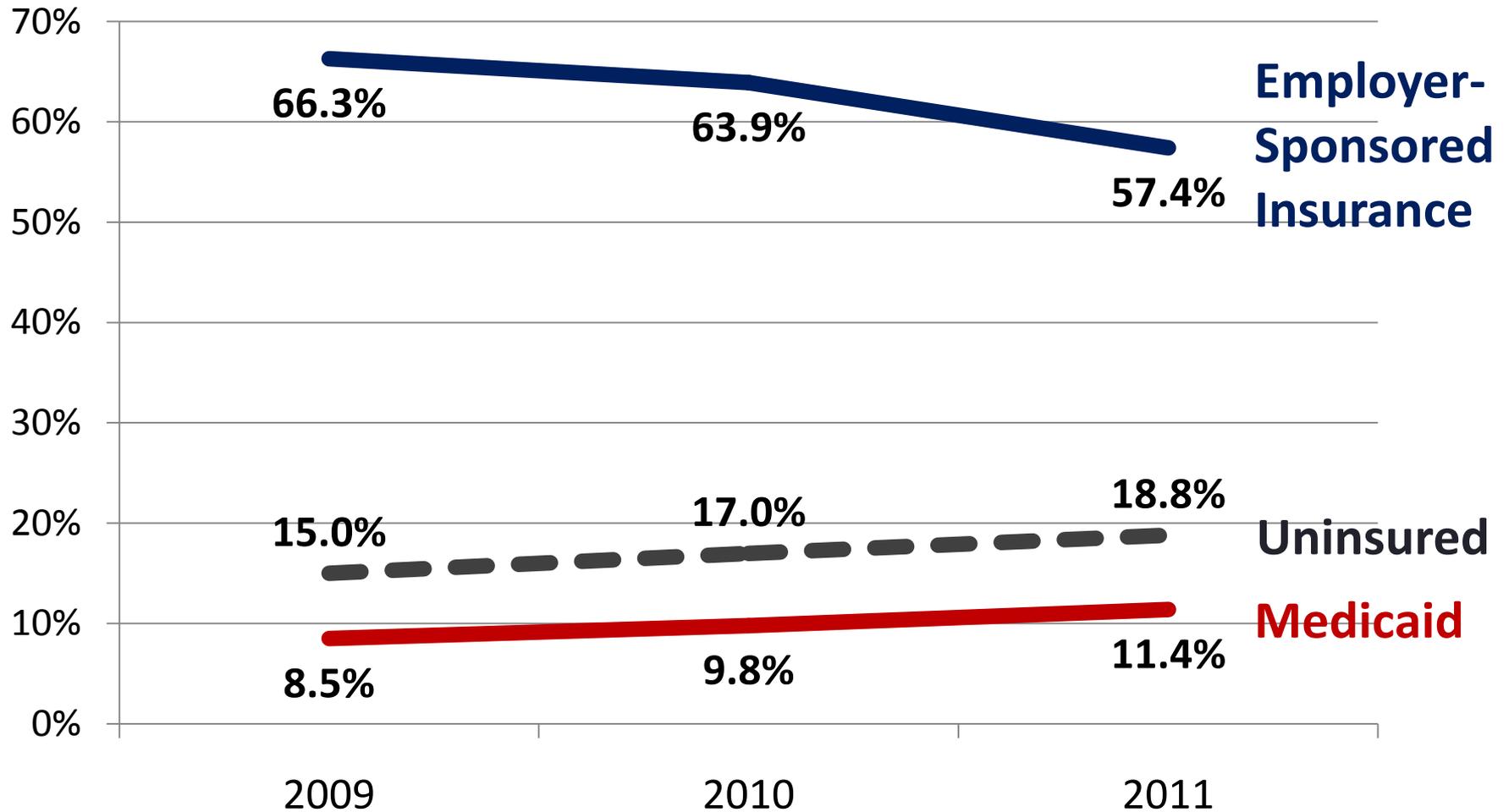
Ohioans spend more per person on health care than residents in all but 13 states¹

Rising health care costs are eroding paychecks and profitability

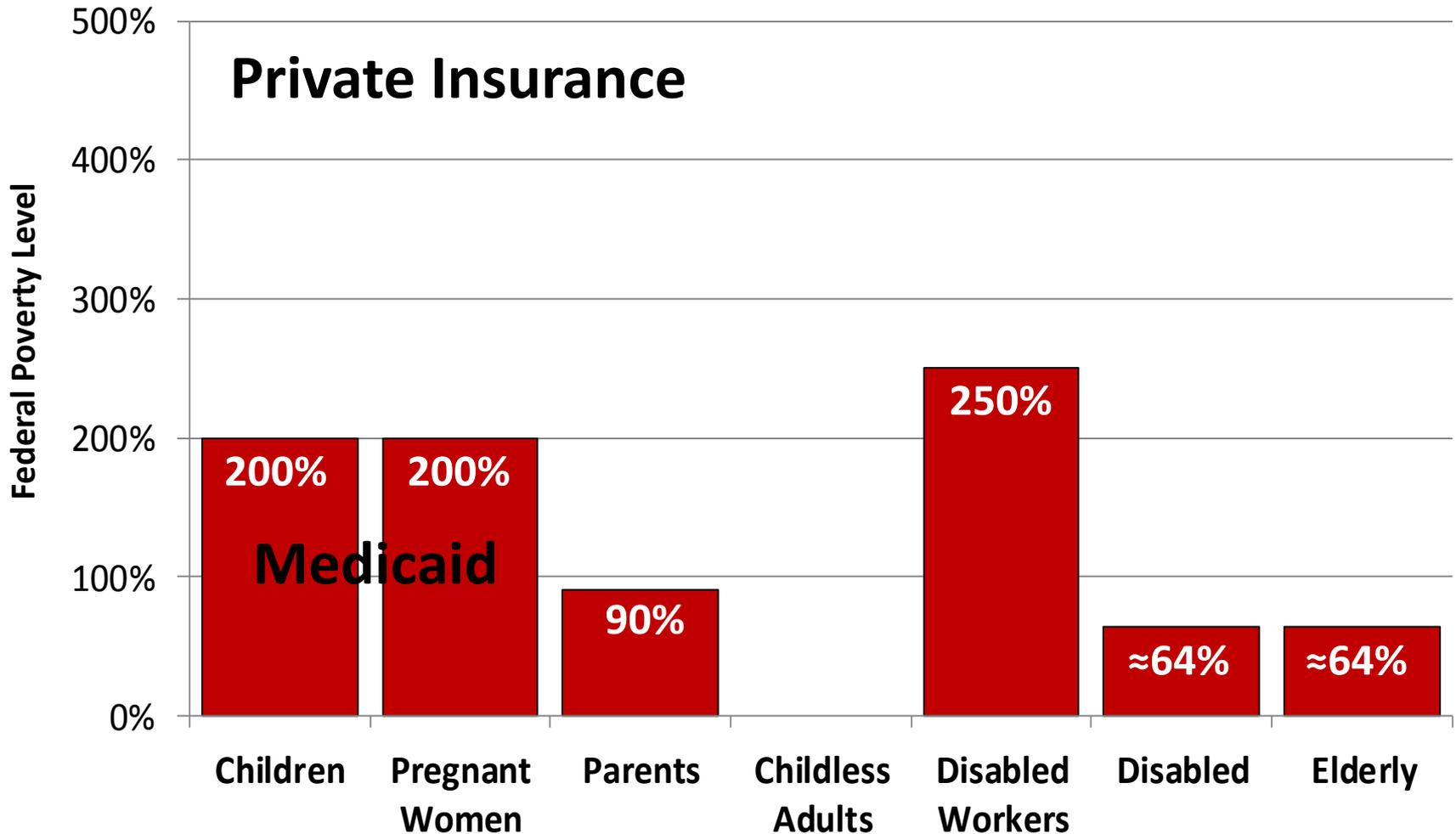
Higher spending is not resulting in higher quality or better outcomes for Ohio citizens

41 states have a healthier workforce than Ohio²

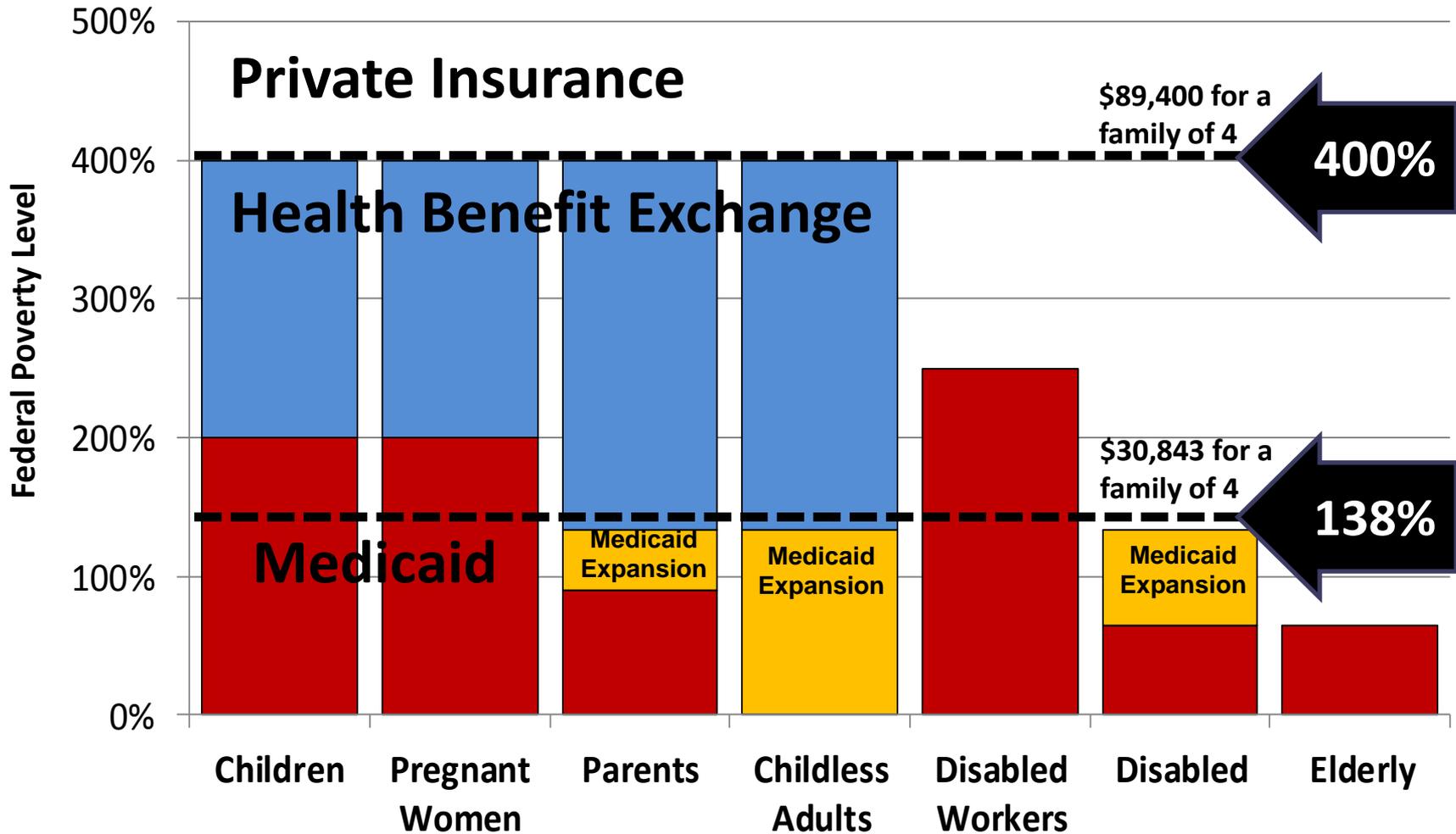
Ohioans Covered by Employer-Sponsored Health Insurance, Medicaid, or Uninsured



Federal Reform: Current Medicaid Income Eligibility Levels



Federal Reform: 2014 Health Coverage Expansions



Health System Performance Priorities



Leverage Medicaid purchasing power to support delivery system reform (HB 153)

- Align public/private infrastructure, including health insurance exchange and electronic health information exchange (planning now)
- Leverage public/private purchasing power to pay for value not volume, including patient centered medical homes and other innovations

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?

Payment Reform:

Ohio Patient-Centered Primary Care Collaborative

- Public/private coalition of primary care providers, insurers, employers, consumer advocates, and government officials
- Coordinates communication among existing Ohio patient-centered medical home (PCMH) practices
- Facilitates statewide learning in collaborative PCMH practices
- Facilitates new PCMH practice start-up in Ohio
- Shapes policy in Ohio for statewide PCMH adoption
- Ohio Department of Health Director Ted Wymyslo, MD, providing leadership based on personal experience converting his practice into a patient-centered medical home

Ohio Medicaid Transformation Priority: Medicaid Health Homes

- New program created in the federal Affordable Care Act
- Provides 8 quarters of 90% federal matching funds for:
 - comprehensive care management,
 - care coordination and health promotion,
 - comprehensive transitional care/follow up,
 - patient and family support,
 - referral to community and social support services, and
 - use of health information technology to link services
- Eligible Medicaid beneficiaries have:
 - two or more chronic conditions,
 - one condition and the risk of developing another, or
 - at least one serious and persistent mental illness (SPMI) condition
- ≈ 200,000 Ohio Medicaid consumers meet the SPMI criteria

Ohio Medicaid Transformation Priority: Medicaid Health Home Design Questions

- On what care management model will health home services be based?
- On what scale will the implementation occur?
- What chronic conditions will be addressed?
- What role will Medicaid managed care organizations play?
- Which providers should serve as health homes?
- What measures will be used to track processes and outcomes?
- How will health information technology be used?
- How will health homes demonstrate whole-person care?
- What will be the reimbursement methodology?

Ohio

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Thank you.

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