



Governor's Office of Health Transformation

John R. Kasich, Governor
Greg Moody, Director

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Ohio Awarded \$75 Million for Payment Innovation Plan

COLUMBUS – Ohio leads the nation in efforts to improve the health of its citizens by resetting the basic rules of healthcare competition to reward better care, not just more care. On December 17, 2014, the Center for Medicare and Medicaid Innovation (CMMI) recognized Ohio's efforts by awarding the state a \$75 million four-year federal grant to test innovative new payment models that improve overall health system performance.

"America has the greatest health care system in the world, but sometimes the financial incentive is to provide the wrong service in the wrong place at the wrong time," said Greg Moody, Director of the Governor's Office of Health Transformation. "We need to turn that around, and make sure the financial incentive is always to keep our citizens as healthy as possible by providing the right service in the right place at the right time."

Ohio's plan brings together the state's four largest commercial health insurance plans (Anthem, Aetna, Medical Mutual, and United) and five Medicaid managed care plans (Buckeye, Caresource, Molina, Paramount, and United) to financially reward high-value providers in primary care and certain specialties. Beginning in the first quarter of 2015, these plans will begin sharing performance reports with a first wave of providers so those providers can see how they perform compared to their peers and take steps to improve.

"Over the past two years, the state has been working with patients, employers, providers, and health plans to build agreement on how changes in payment can drive better outcomes," said Moody. "I am pleased CMMI has recognized our work, and congratulate everyone involved for creating this opportunity to greatly improve health outcomes for all Ohioans."

In 2012, Governor Kasich convened an Advisory Council on Health Care Payment Innovation to coordinate health care payment innovation activities across Ohio employers, private health plans, health care providers, and patients and consumer advocates. These groups identified experts who worked with the Governor's Office of Health Transformation to develop a five-year plan to improve overall health system performance through payment innovation. The CMMI award funds the implementation of that plan.

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