



JOHN R. KASICH

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KASICH ADMINISTRATION LAUNCHES INITIATIVE ON HEALTH CARE PAYMENT REFORM

COLUMBUS – Governor John Kasich's Administration today launched a formal initiative to partner with health care stakeholders to begin to change Ohio's public and private health care business models from one that is based on volume to one based on value and performance.

The Office of Ohio Health Plans (Ohio Medicaid), under the leadership of Director John McCarthy, has begun to work with Catalyst for Payment Reform (CPR), making Ohio Medicaid the first state Medicaid program to participate in the organization's efforts. CPR is an independent, national non-profit organization that leverages the collective strength of private- and public-sector health-care purchasers to achieve better value and quality in health care.

"In Ohio and across the country, we must do a better job of meeting the health needs of individuals and creating a healthy and productive workforce at a price that is affordable for businesses, governments, individuals and other payers," said Director of the Governor's Office of Health Transformation Greg Moody. "In partnership with CPR, we are setting clear expectations for providers and health plans in Ohio and developing tools to give Ohioans more bang for their health-care buck."

CPR's participating purchasers include some of the nation's largest corporations and public purchasers—including the Ohio Public Employees Retirement System (OPERS)—that share the belief that payment reforms should promote health by rewarding the delivery of quality, cost-effective and affordable care that is patient-centered. Participants work to tailor payment strategies to improve the performance of the health-care system. In particular, CPR purchasers agree to use CPR's model health-plan contract language on payment reform to drive quality outcomes for consumers.

"No single employer or health-care purchaser has enough leverage on its own to change the way we pay for health care in the United States," said CPR Executive Director Suzanne F. Delbanco, Ph.D. "By coming together with other large health-care purchasers around a shared agenda, Ohio's Medicaid program will enhance its leverage and work toward a payment system that generates better value for each health-care dollar. We are thrilled that Ohio Medicaid is going to be participating in our cutting-edge efforts, and we applaud Governor Kasich for participating with CPR as part of his approach to health transformation."

“The state of Ohio spends more than \$17 billion per year to provide health care for more than 2.7 million people, with Medicaid covering 2.1 million beneficiaries and \$14 billion of the total cost,” said Director McCarthy. “CPR allows us to combine our considerable purchasing power with that of some of the nation’s largest corporations and public purchasers, such as OPERS, FedEx, eBay, Inc., Xerox Corporation, 3M and GE, to drive reforms in the health-care system. I am excited about the opportunity that this partnership provides for the individuals we serve and for the taxpayers of Ohio.”

The Kasich Administration will also be ramping up discussions with public- and private-sector partners within Ohio—including insurers, health systems, employers, providers, and advocate groups—to align priorities and work on payment reform.

“If payers start lining up their expectations, it becomes a powerful tool to change the delivery of health care,” said Director Moody. “We are going to be working with all stakeholders to develop expectations that put individuals and taxpayers first, and then make sure how we pay is aligned with those expectations.”

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