



Moody on Medicaid Changes: 'Everything Has a Policy Basis'

The Office of Health Transformation released three documents Tuesday offering more detail on the direction it's heading in remaking Medicaid, the same day Gov. John Kasich talked about Medicaid reform in his State of the State address.

Vowing to better coordinate care in a program that is now spread across multiple state agencies, Kasich Tuesday pointed to the costs and problems associated with low birth-weight babies as an area where the Medicaid program can achieve better care and spend less money.

"We're going to do a better job of taking care of low birth-weight babies by taking better care of their mothers," Kasich said.

Greg Moody, director of the Office of Health Transformation, said after the speech that Kasich's mention of low birth-weight babies is "an example of what is going to show up dozens of times in our Medicaid budget.

"It's those moments in the system where, for lack of primary care, a person ends up with a more expensive need or setting," Moody said.

Kasich said in his speech that no amount of reform can prevent the need for cuts to deal with the budget gap. (See separate story, this issue of *The Hannah Report*.)

Asked about the proportion of reform to cuts in health and human services, Moody said, "I can't say much about the details, but I can say everything we did has a policy basis. There is nothing in the Medicaid budget that I would describe as an across-the-board cut. We did not need to resort to those kind of blunt budget-cutting instruments. Everything has a policy basis. And if we're not sure, we don't have the savings [in the budget] either. For example, we want to coordinate care for the dual eligibles. But that's going to take at least a year to bring online, and we're not 100 percent sure which delivery system we want to use, so we didn't count any savings to that. We're trying not to use anything that we can't directly count the savings."

One of the documents released Tuesday, titled "Better Health, Better Care and Cost Savings through Improvement" sketches the office's general plan for Medicaid "modernization," in line with four policy priorities: "rebalancing" long-term care; integrating physical and behavioral health care; improving care coordination; and evaluating payment and provider rates.

Another of the documents, titled "Medicaid Hot Spots," delves into other areas where the state could find savings and improve care. Low birth-weight babies is listed among instances where the state sees "avoidable hospital admissions" that could have been prevented with earlier primary care. Other diagnoses listed as leading to avoidable admissions are asthma, perforated appendix and urinary tract infection.

Some other "hot spots" identified in the report include the following:

- Emergency room visits per 1,000 population were 29 percent higher in Ohio than in the U.S. in general in 2008.
- Per capita spending on nursing home care is 52 percent above the national rate.
- The 1.8 percent of non-institutionalized Medicaid enrollees who get care primarily from hospitals account for 13 percent of spending.
- Adults with severe mental illness account for 10 percent of Medicaid enrollment and 26 percent of spending.

The documents are posted at <http://healthtransformation.ohio.gov/REPORTS.aspx>.

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