

Ohio involves its Medicaid program in health care payment reform initiative

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The Kasich administration is announcing the first step in an effort to introduce value and performance rather than simply volume in the equation of how health care providers are paid for providing service to participants in the state's Medicaid program.

According to the office of Gov. John Kasich, the state has begun working with a national nonprofit known as Catalyst for Payment Reform under an arrangement that makes Ohio's Medicaid program the first state Medicaid program to partner with the organization.

Participants in Catalyst for Payment Reform include some of the nation's largest corporations and public health care purchasers, including FedEx, 3M Corp., General Electric and the Ohio Public Employees Retirement System. The goal of the payers' group is to work with health care providers on payment reforms that drive better outcomes for patients.

"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," Catalyst for Payment Reform executive director Suzanne F. Delbanco said in a statement. "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."

John McCarthy, director of the Office of Ohio Health Plans, which oversees the state's Medicaid program, said the state spends more than \$17 billion a 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." Mr. McCarthy said entering a partnership with the Catalyst for Payment Reform "allows us to combine our considerable purchasing power with that of some of the nation's largest corporations and public purchasers" to reform the health care system.

Added Greg Moody, director of the Governor's Office of Health Transformation: "If payers start lining up their expectations, it becomes a powerful tool to change the delivery of health care. 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."