



**Governor's Office of
Health Transformation**

Better Health, Better Care, and Cost Savings Through Improvement

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Governor's Office of Health Transformation**

**Disability Network of Ohio—Solidarity, Inc.
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Ohio's Health System Performance

Health Outcomes – 42nd overall¹

- 42nd in preventing infant mortality (only 8 states have higher mortality)
- 37th in preventing childhood obesity
- 44th in breast cancer deaths and 38th in colorectal cancer deaths

Prevention, Primary Care, and Care Coordination¹

- 37th in preventing avoidable deaths before age 75
- 44th in avoiding Medicare hospital admissions for preventable conditions
- 40th in avoiding Medicare hospital readmissions

Affordability of Health Services²

- 37th most affordable (Ohio spends more per person than all but 13 states)
- 38th most affordable for hospital care and 45th for nursing homes
- 44th most affordable Medicaid for seniors



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- Outdated information technology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

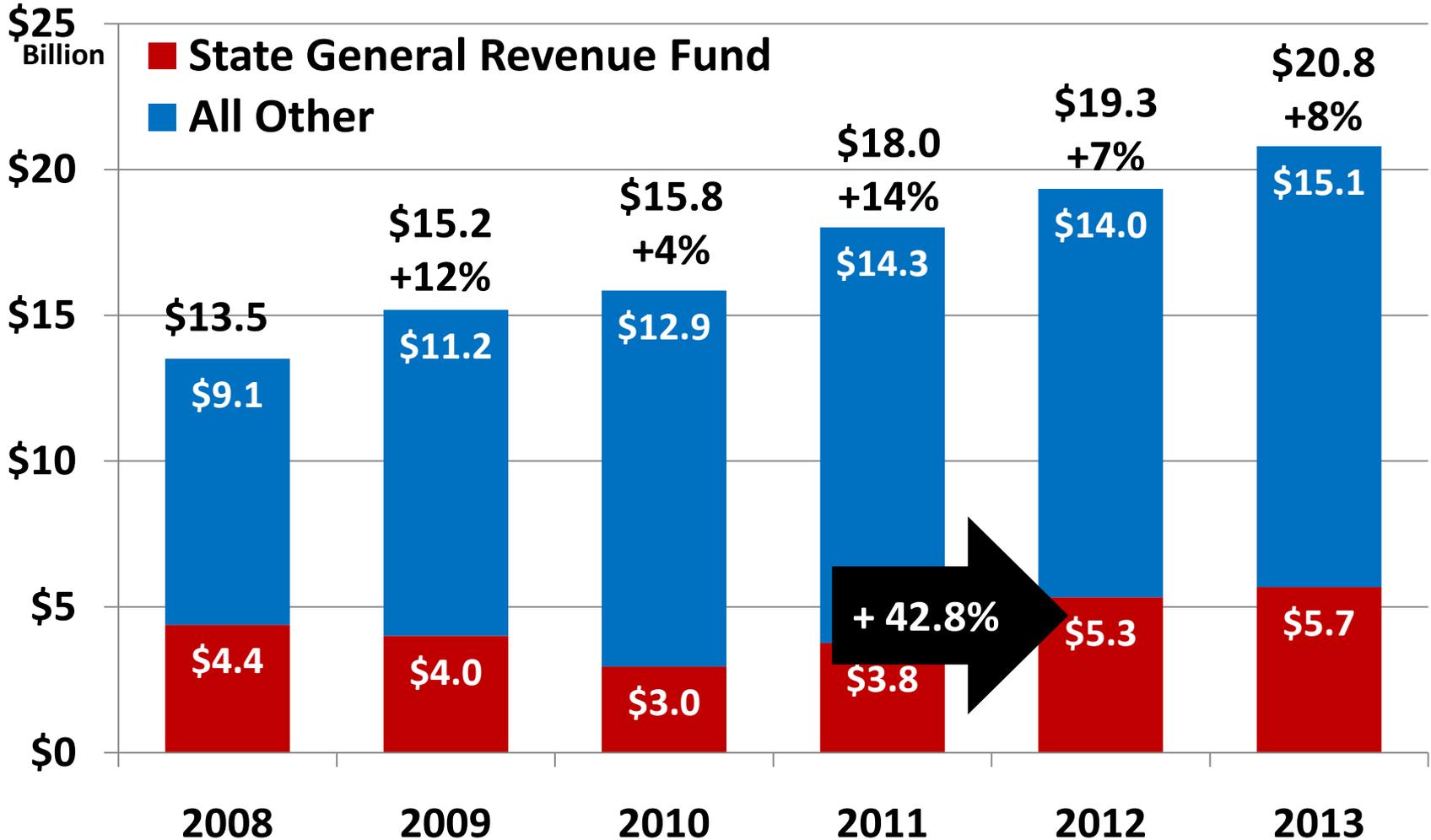
Medicaid is Ohio's Largest Health Payer

- 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



Ohio Medicaid Spending Trend

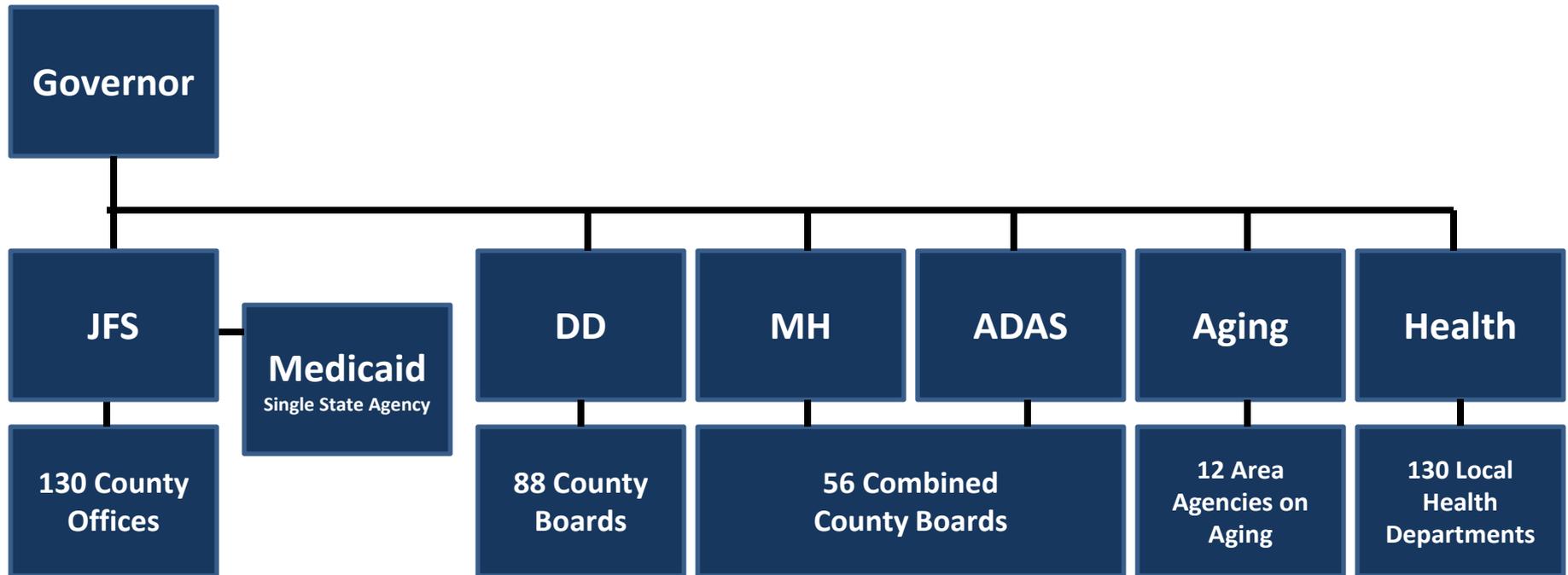
9 percent average annual growth, 2008-2011



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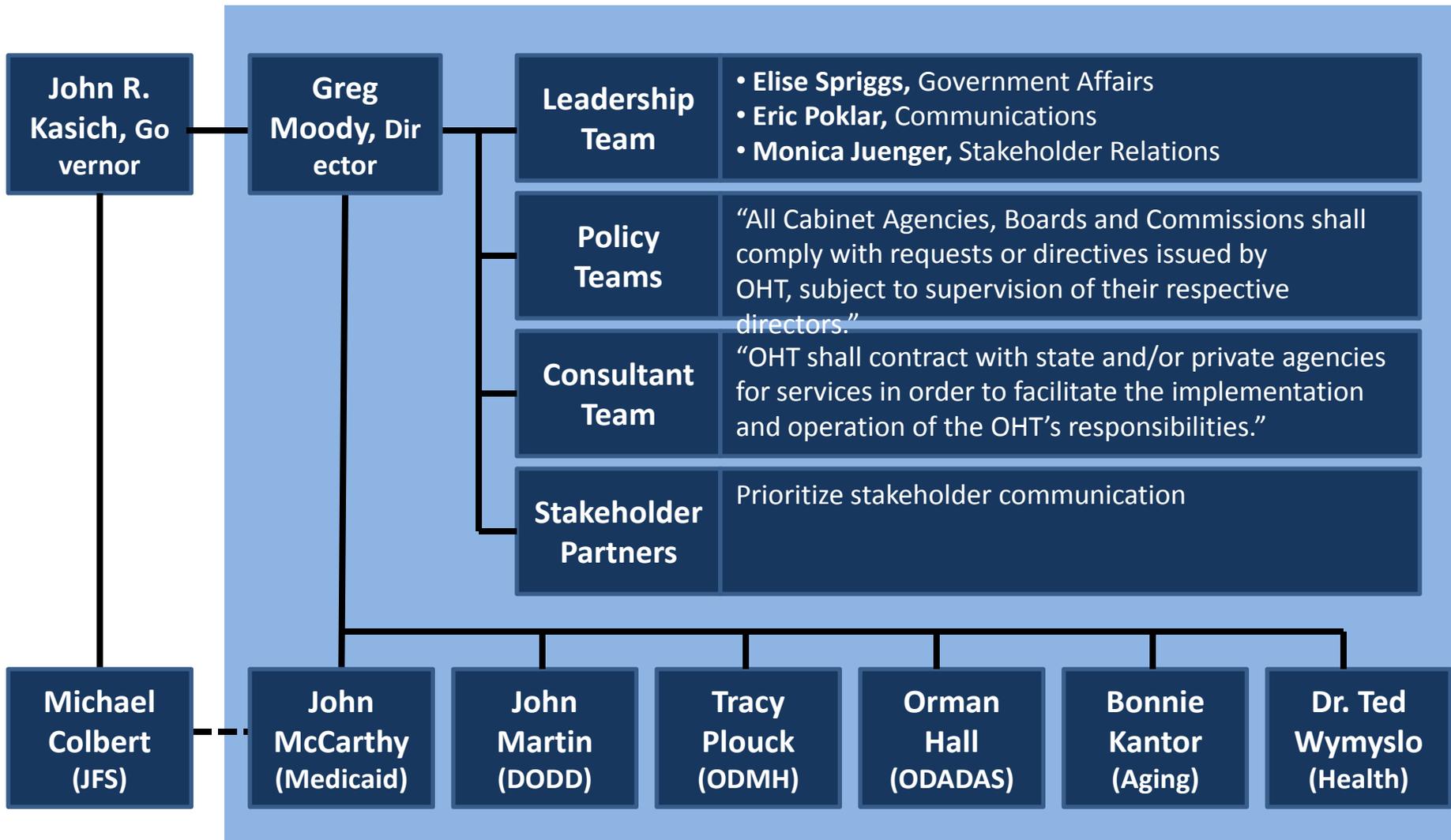
Source: Office of Health Transformation Consolidated Medicaid Budget, All Funds, All Agencies; actual SFY 2008-2010 and estimated SFY 2011-2013; "All Other" includes Federal Funds and Non-General Revenue Funds (non-GRF)

The current Ohio HHS Medicaid organization



Medicaid as a % of Agency Budget	JFS Medicaid 73%	Dev Disabilities 91%	Mental Health 61%	Alcohol and Drug 28%	Aging 83%	Health 3%
Agency Medicaid as a % of Total Ohio Medicaid	84% (\$13.3 billion)	8% (\$1.3 billion)	4% (\$590 million)	0.3% (\$63 million)	3% (\$534 million)	0.1% (\$17 million)





Ohio Health Transformation Priorities

- Improve Care Coordination
- Integrate Behavioral and Physical Health
- Rebalance Long-Term Care
- Modernize Reimbursement
- Balance the Budget

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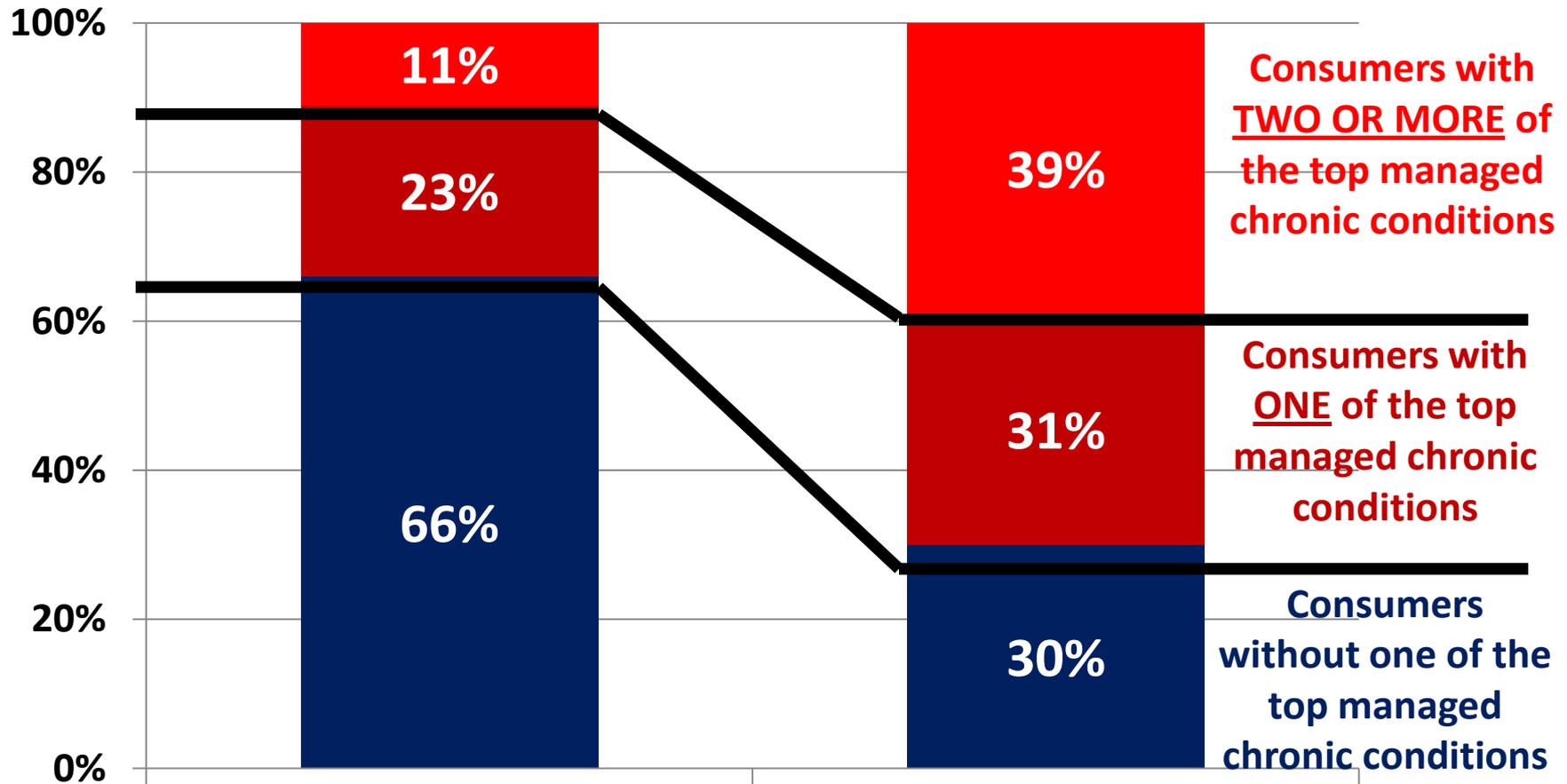


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The Vision for Better Care Coordination

- 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 Hot Spot: Enrollment Spending by Top Managed Chronic Conditions



Enrollment (2.3 million) Spending (\$10.3 billion)

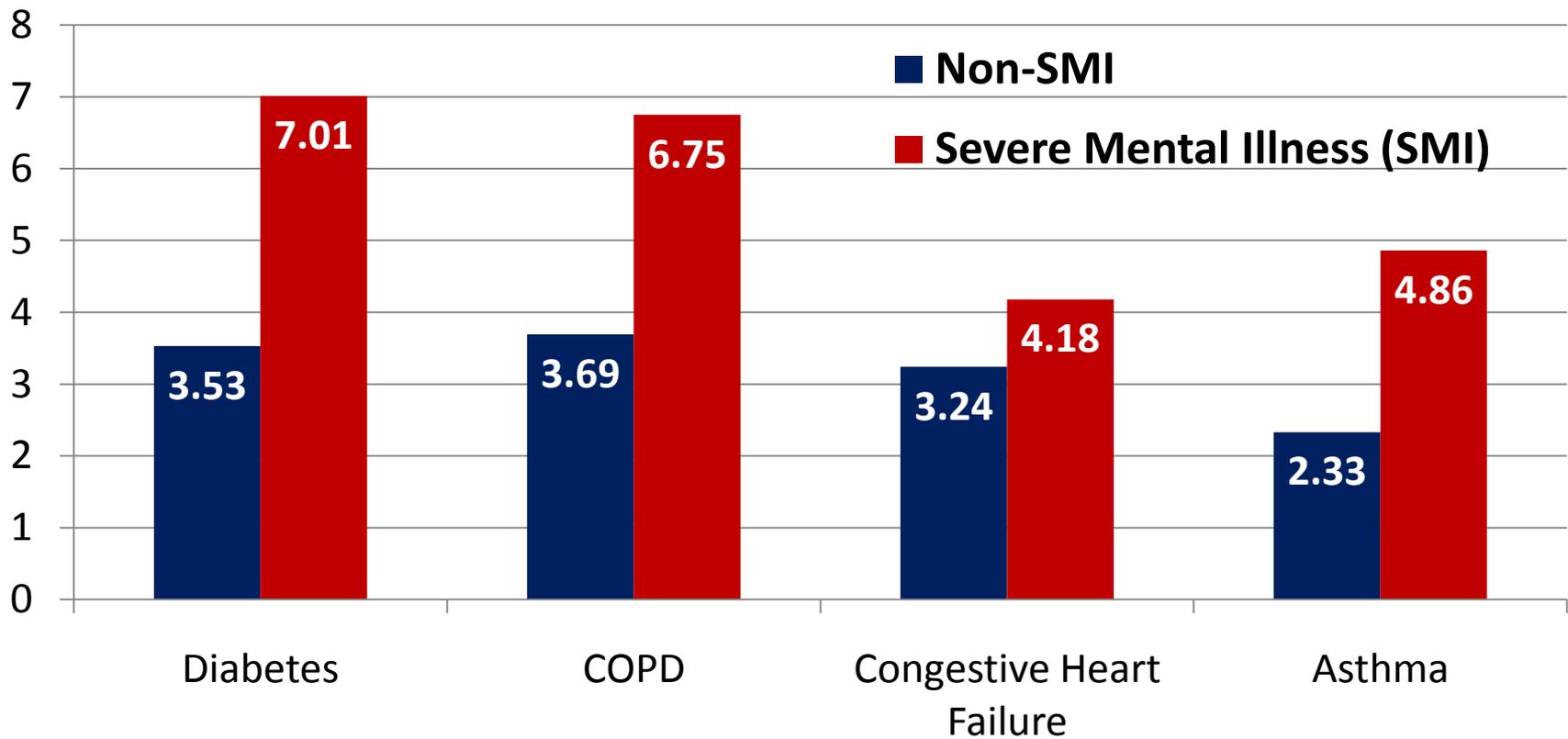
Source: Ohio Department of Job and Family Services. Institutionalized consumers excluded. Based on SFY 2010 total medical cost either by ODJFS or Medicaid managed care plans. Top managed conditions = Diabetes, CAD, CHF, Hypertension, COPD, Asthma, Obesity, Migraine, HIV, BH, & Sub. Abuse.



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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)



Integrate Behavioral/Physical Health

Treat the whole person, including physical and behavioral health care needs

RECOMMENDATIONS:

- Integrate behavioral and physical health benefits
- “Elevate” behavioral health financing to the state
- Manage behavioral health service utilization
- Transfers Residential State Supplement from Aging to ODMH

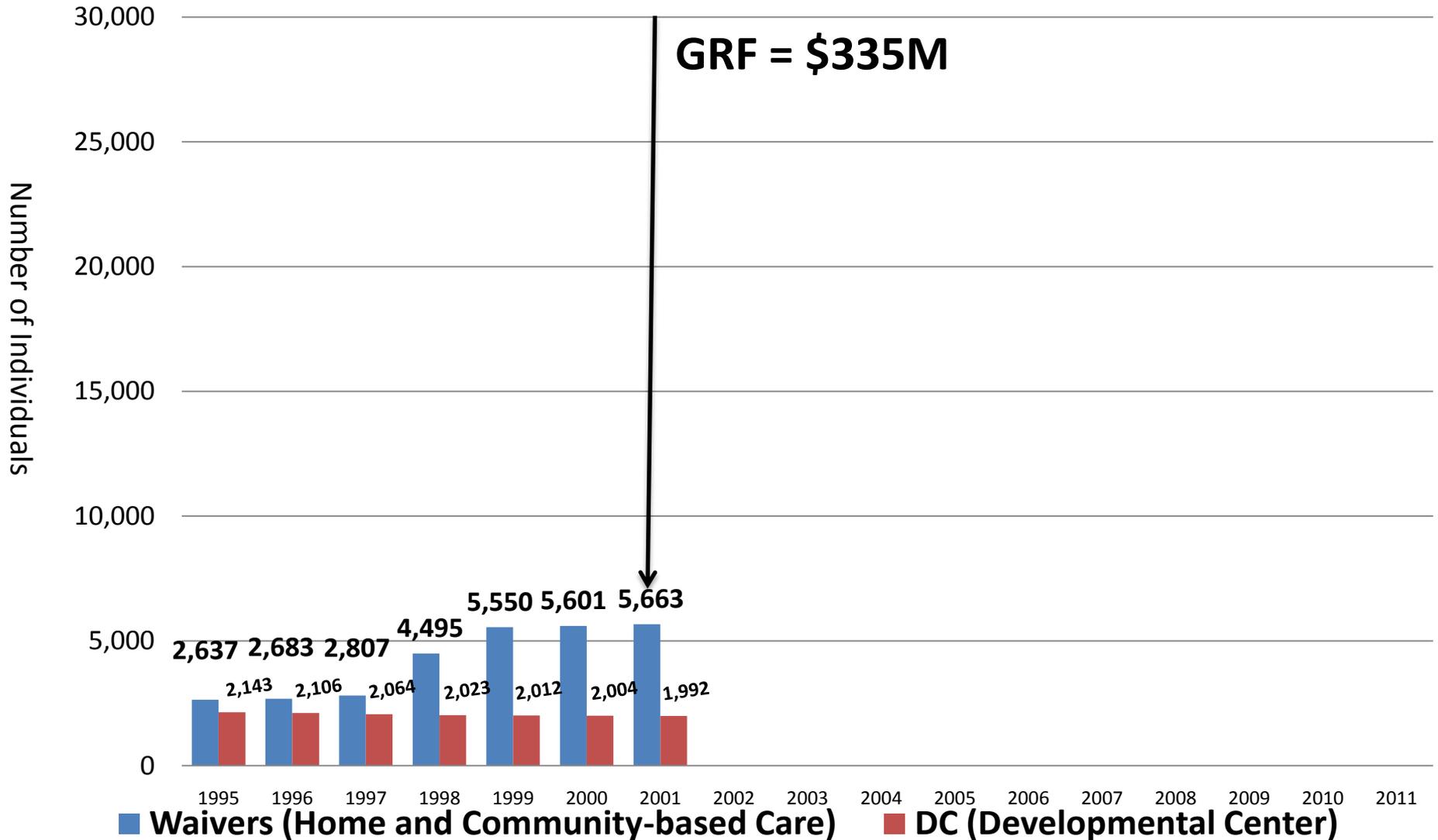
Rebalance Long Term Care

Enable seniors and people with disabilities to live with dignity in the settings they prefer

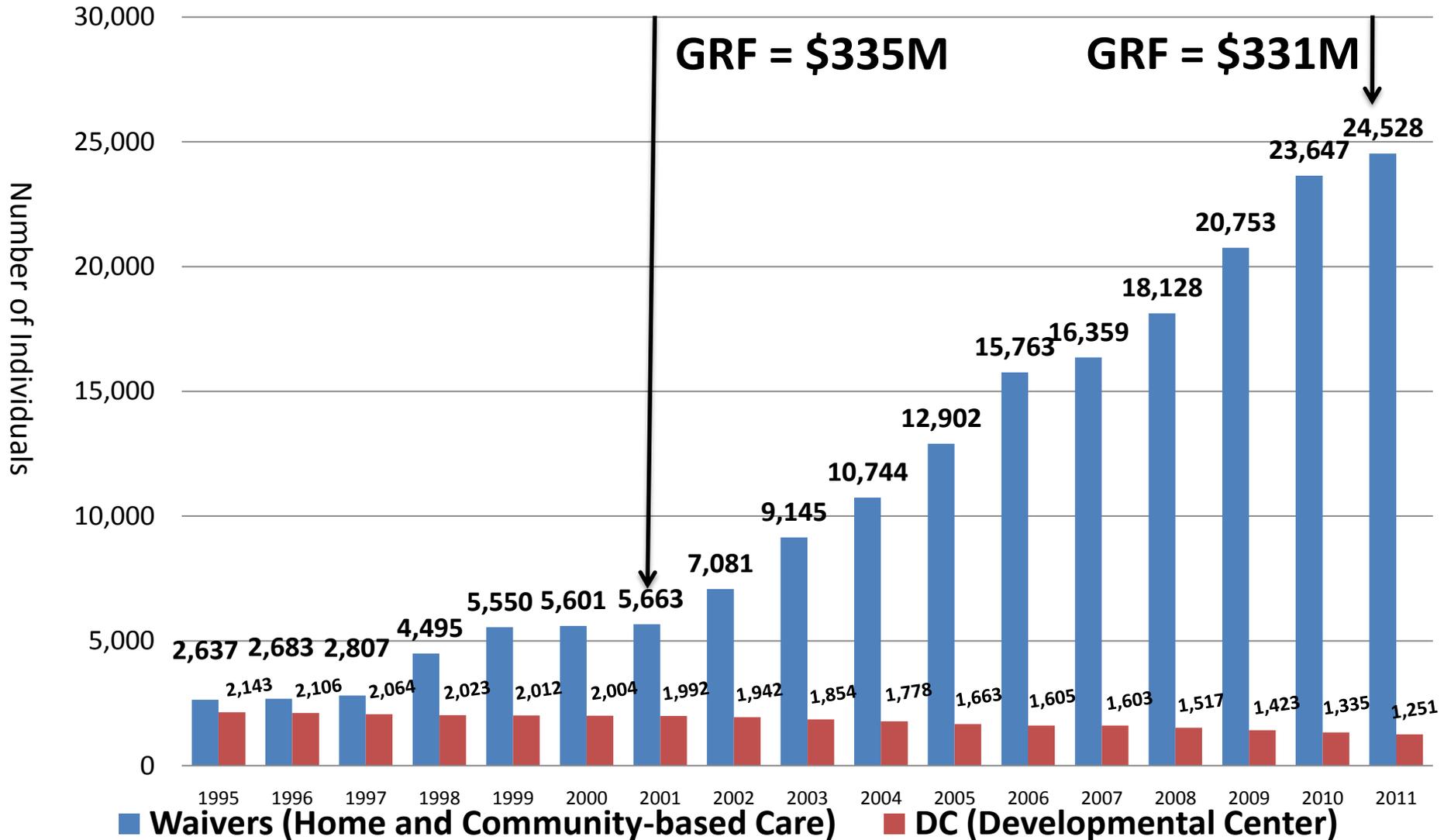
RECOMMENDATIONS:

- Align programs for people with developmental disabilities
- Create a Unified Long Term Care System
- Link nursing facility payments to person-centered outcomes

A Case Study in Transformation: Ohio Department of Developmental Disabilities



A Case Study in Transformation: Ohio Department of Developmental Disabilities



RECOMMENDATION:

Align Programs for People with DD

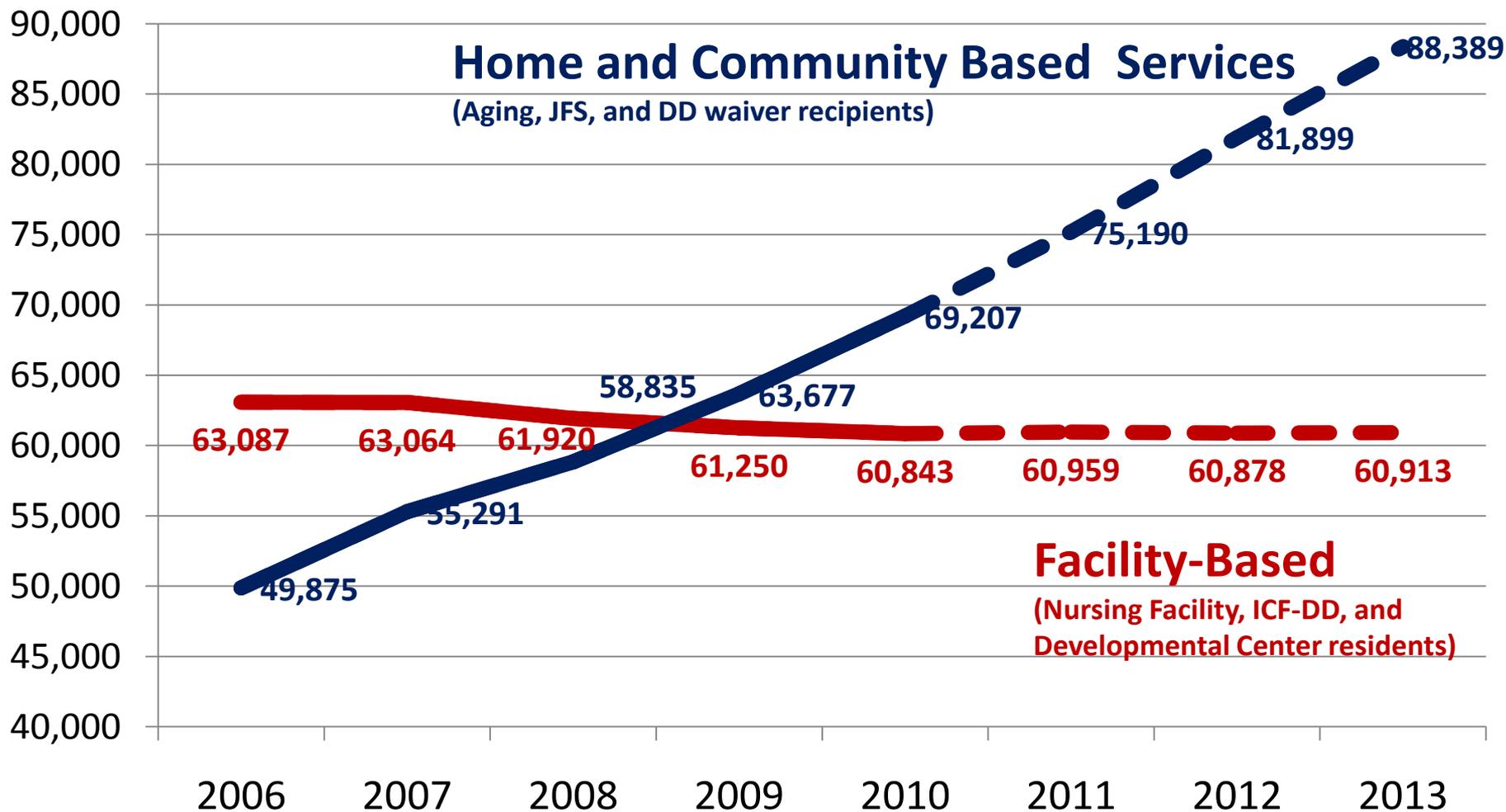
- Continue the transformation already underway
- Transfer Intermediate Care Facilities (ICFs) from ODJFS to DODD
- Transfer Transitions waiver from ODJFS to DODD
- Consolidate DODD Medicaid funding into one line item
- Utilization management/maintain provider rates
- Continued institution/community realignment
- Reduce Developmental Center population by 180 over 2 years

RECOMMENDATION:

Create a Unified Long-Term Care System

- Make services seamless for consumers and families
- Create a single point of access by consolidating PASSPORT, Choices, Home Care, Assisted Living, and Transitions/Aging
- Transfer Medicaid waiver funding to ODJFS 600-525
- Create a clear “front door” into the delivery system

Medicaid Budget: Ohio Medicaid Residents of Institutions Compared to Recipients of Home and Community Based Services

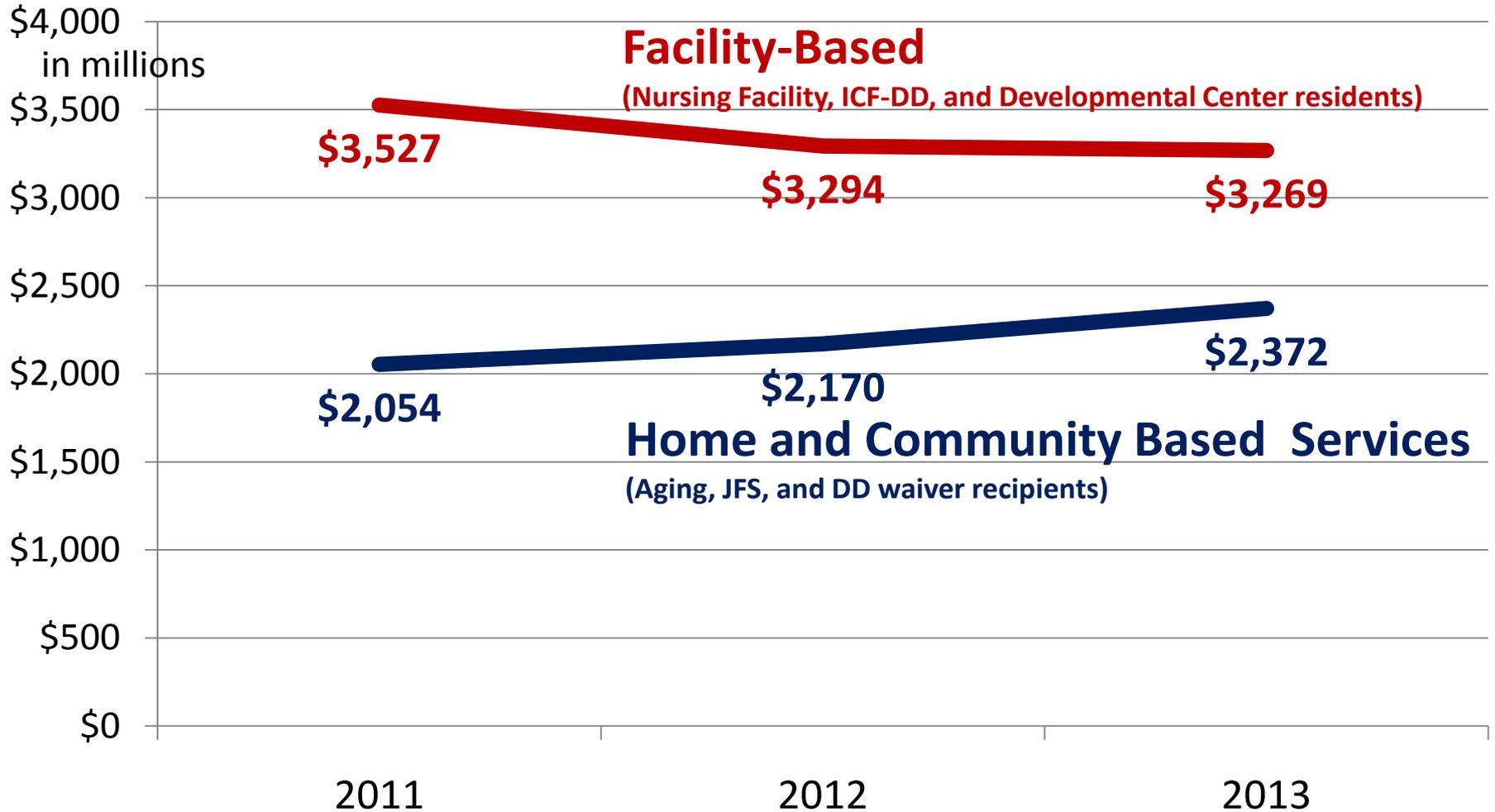


Medical Hot Spot: Per Capita Health Spending: Ohio vs. US

Measurement	US	Ohio	Percentage Difference	Affordability Rank (Out of 50 States)
Total Health Spending	\$5,283	\$5,725	+ 8%	37
Hospital Care	\$1,931	\$2,166	+ 12%	38
Physician and Clinical Services	\$1,341	\$1,337	- 0.3%	27
Nursing Home Care	\$392	\$596	+ 52%	45
Home Health Care	\$145	\$133	- 8.3%	35



Medicaid Budget: Ohio Medicaid Spending on Institutions Compared to Home and Community Based Services



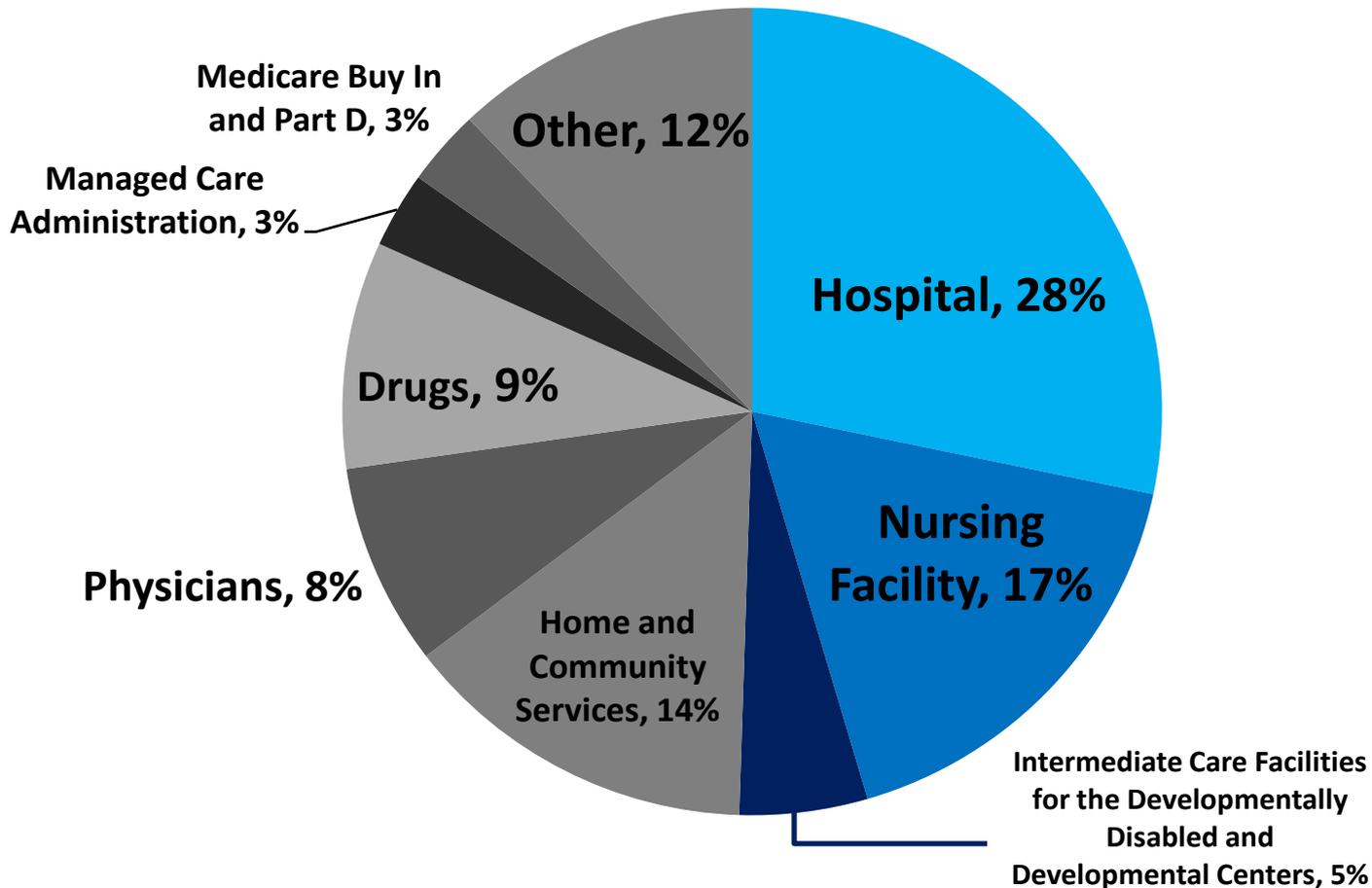
Modernize Reimbursement

Reset Medicaid payment rules to reward value instead of volume

RESULTS:

- Hospital payments
- Managed care plan payments, including pharmacy carve-in
- Nursing facility payments
- Other benefits and payments

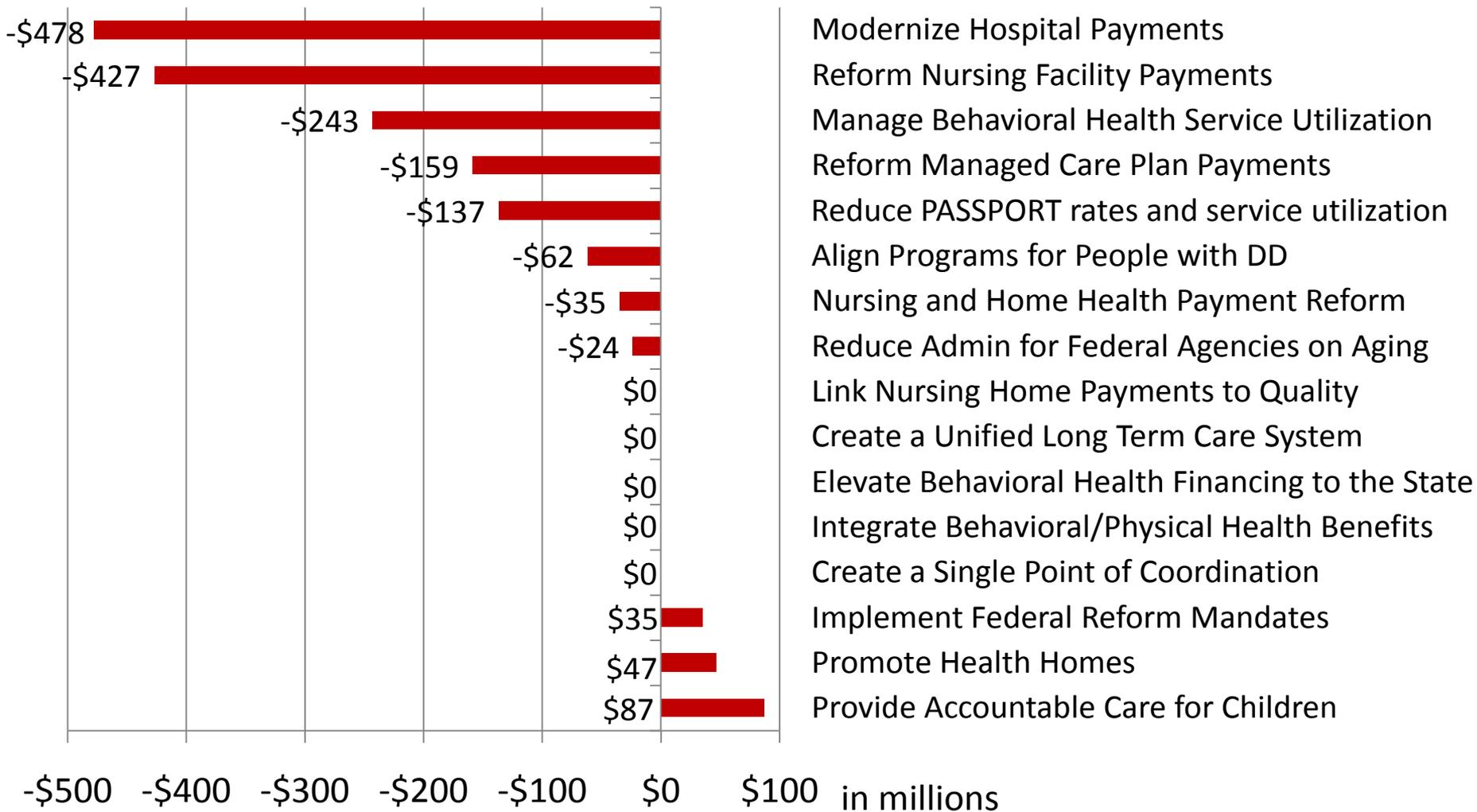
Total Ohio Medicaid Expenditures, SFY 2010



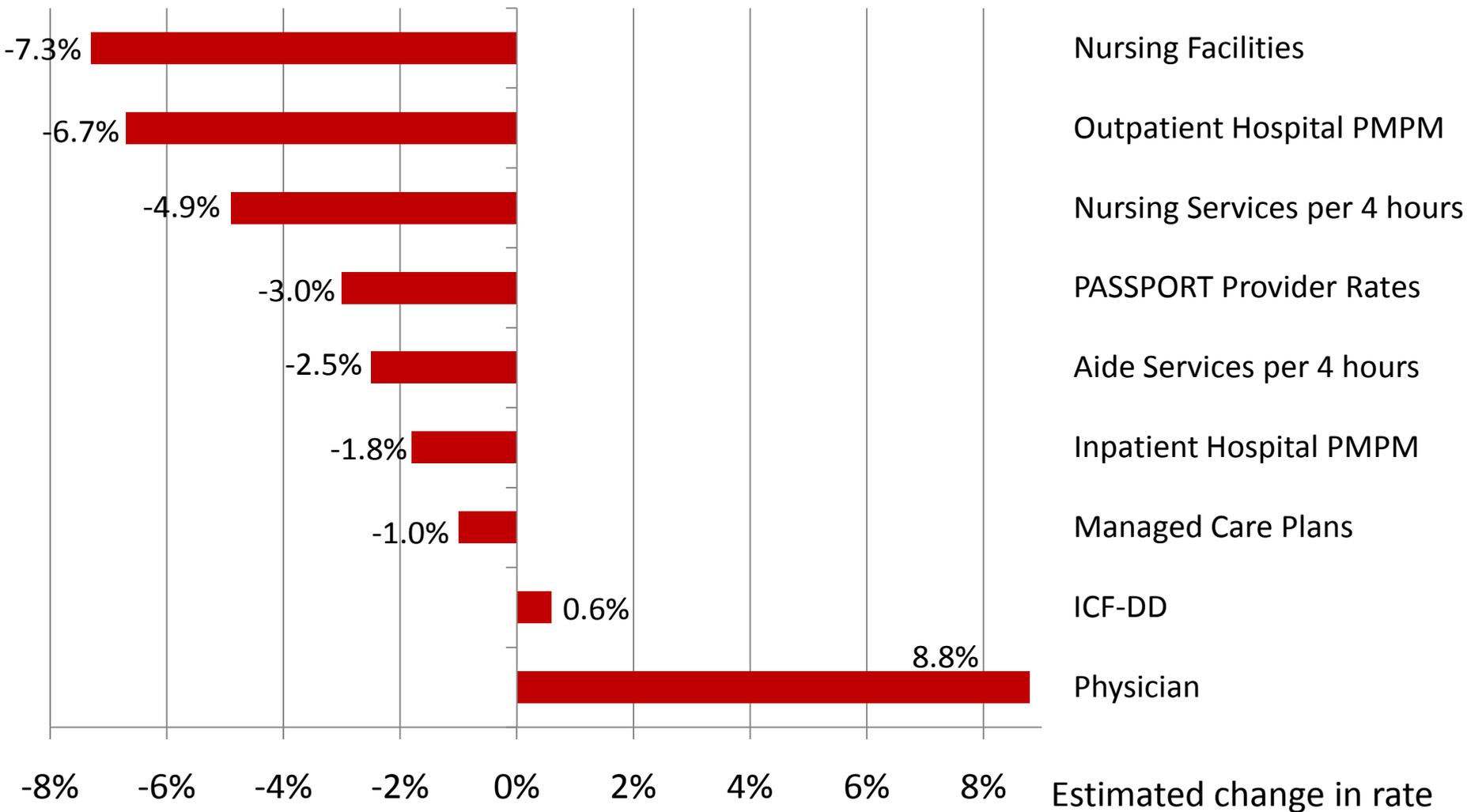
Source: Ohio Department of Job and Family Services and the Governors Office of Health Transformation. Managed care expenditures are distributed to providers according to information from Milliman. Hospitals include inpatient and outpatient expenditures as well as HCAP Home and community services include waivers as well as home health and private duty nursing.



Medicaid Budget: Savings and Investments



Medicaid Budget: Impact on Rates by Provider



Balance the Budget

Contain Medicaid program costs in the short term and ensure financial stability over time

RESULTS:

- A sustainable system
- \$1.4 billion in net savings over the biennium
- Align priorities for consumers (better health outcomes) and taxpayers (better value)
- Challenge the system to improve performance (better care and cost savings through improvement)

What this budget does NOT do

- Does not cut eligibility
- Does not cut optional services, including dental
- Does not make arbitrary across-the-board cuts
- Does not resort to smoke and mirrors
- Does not count hypothetical savings



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Thank you.

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