



**Governor's Office of
Health Transformation**

**Current Issues in Health, Aging, and Human Services:
Medicaid Modernization**

Greg Moody, Director
Governor's Office of Health Transformation

Benjamin Rose Institute on Aging 2011 Annual Meeting
June 17, 2011

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

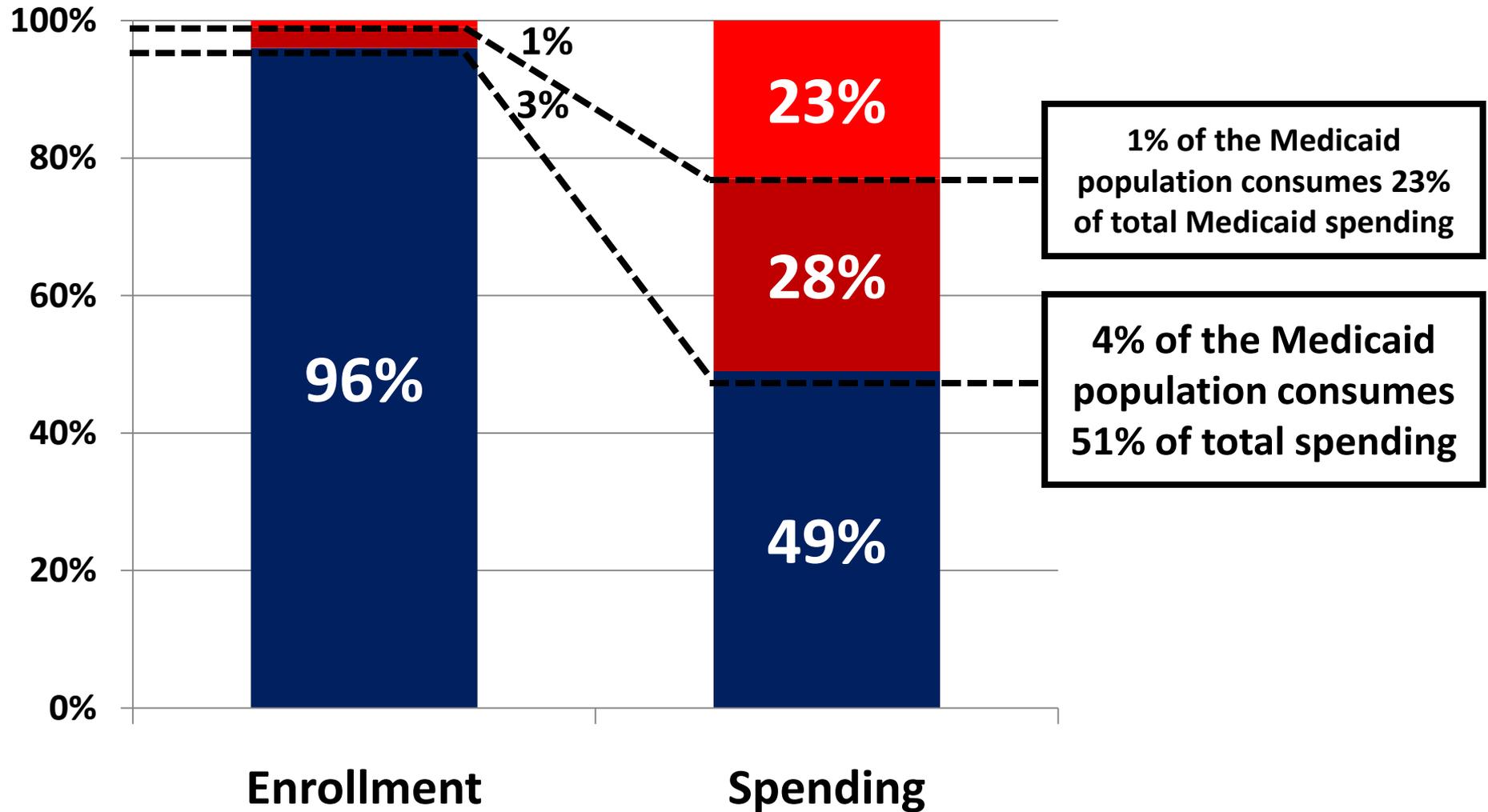
Prevention, Primary Care, and Care Coordination¹

- 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

A few high-cost cases account for most Medicaid spending



Fragmentation

vs.

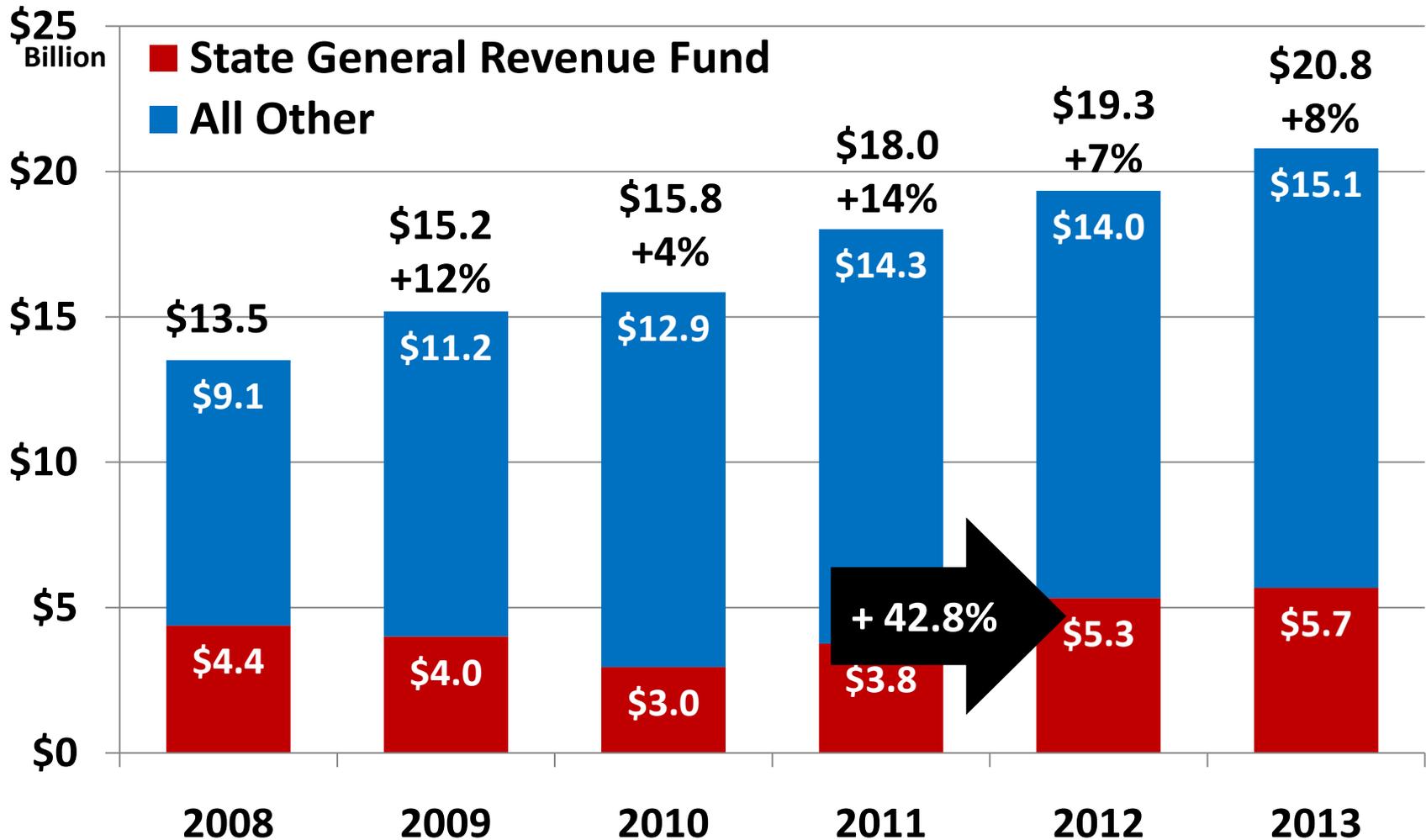
Coordination

- 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- Outdated information technology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

Ohio Medicaid Spending Trend

9 percent average annual growth, 2008-2011



Governor's Office of
Health Transformation

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 Vision for Better Care Coordination

- The vision is to 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

MEDICAL REPORT

THE HOT SPOTTERS

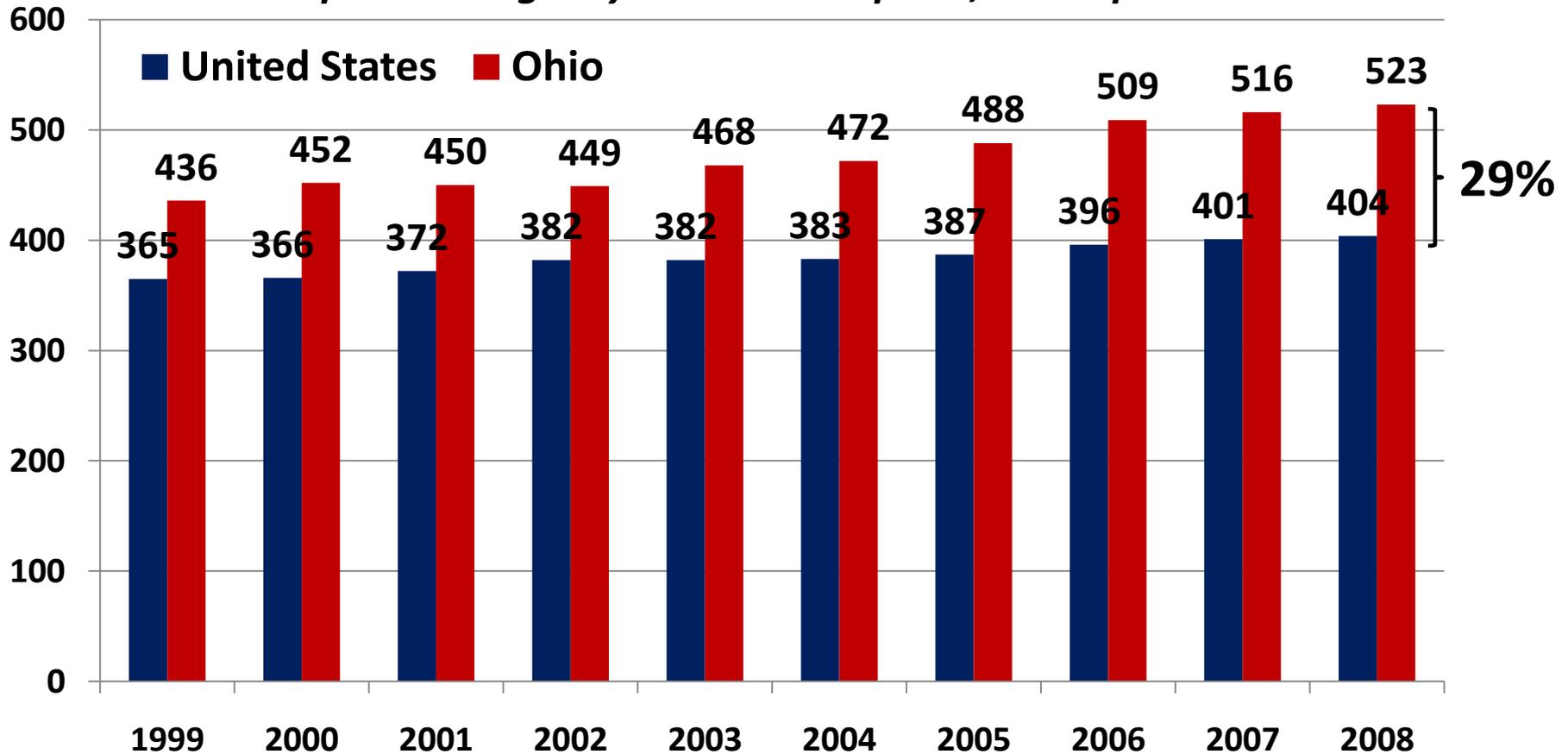
Can we lower medical costs by giving the neediest patients better care?

BY ATUL GAWANDE

“The critical flaw in our health care system ... is that it was never designed for the kind of patients who incur the highest costs. Medicine’s primary mechanism of service is the doctor visit and the emergency room visit. It’s like arriving at a major construction project with nothing but a screwdriver and a crane.”

Medical Hot Spot: Emergency Department Utilization: Ohio vs. US

Hospital Emergency Room Visits per 1,000 Population



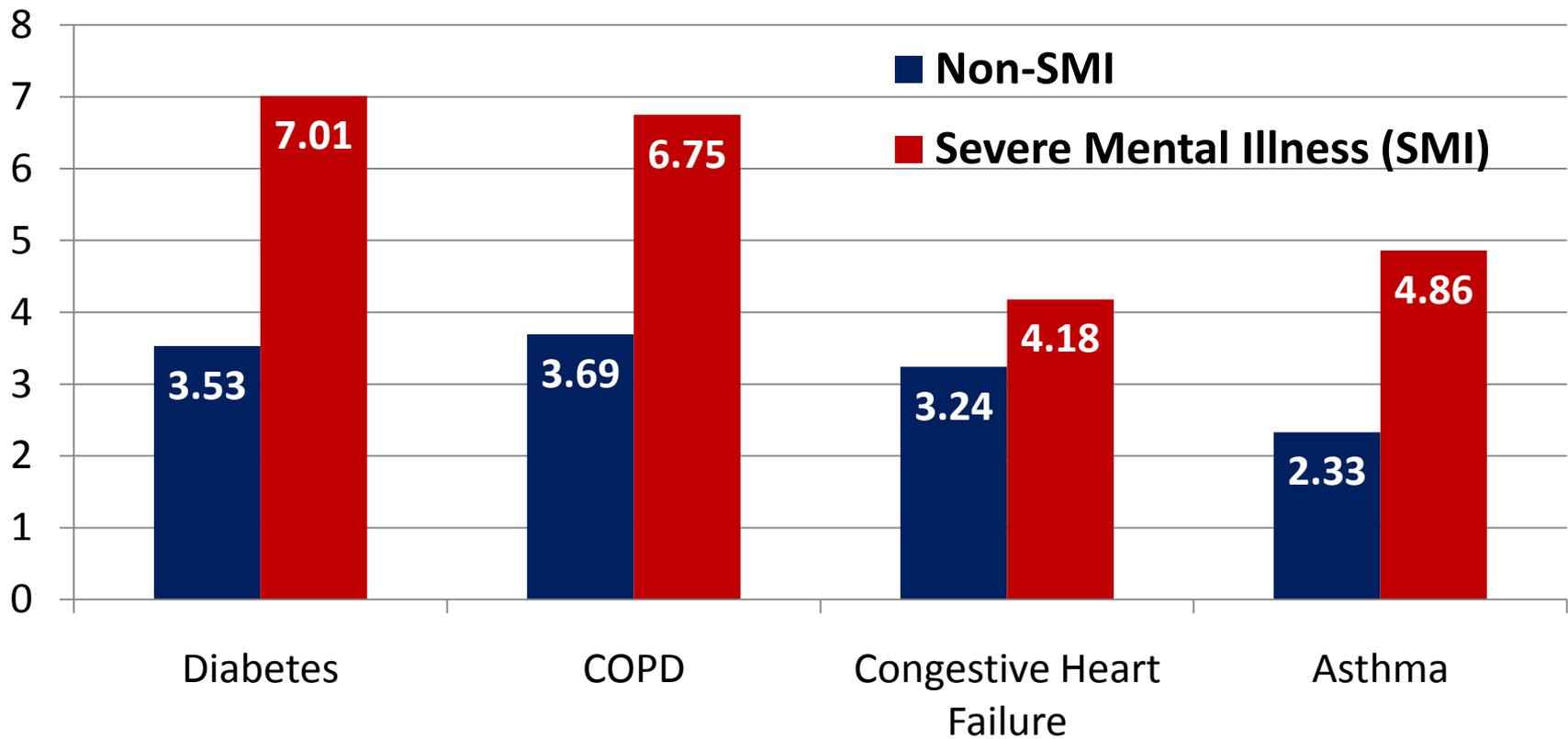
Source: American Hospital Association Annual Survey (March 2010) and population data from Annual Population Estimates, US Census Bureau: <http://www.census.gov/popest/states/NST-ann-est.html>.



Governor's Office of
Health Transformation

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)



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



Improve Care Coordination

Coordinate care to achieve better health and cost savings through improvement

RECOMMENDATIONS:

- Promote Health Homes
- Provide accountable care for children
- Create a single point of care coordination

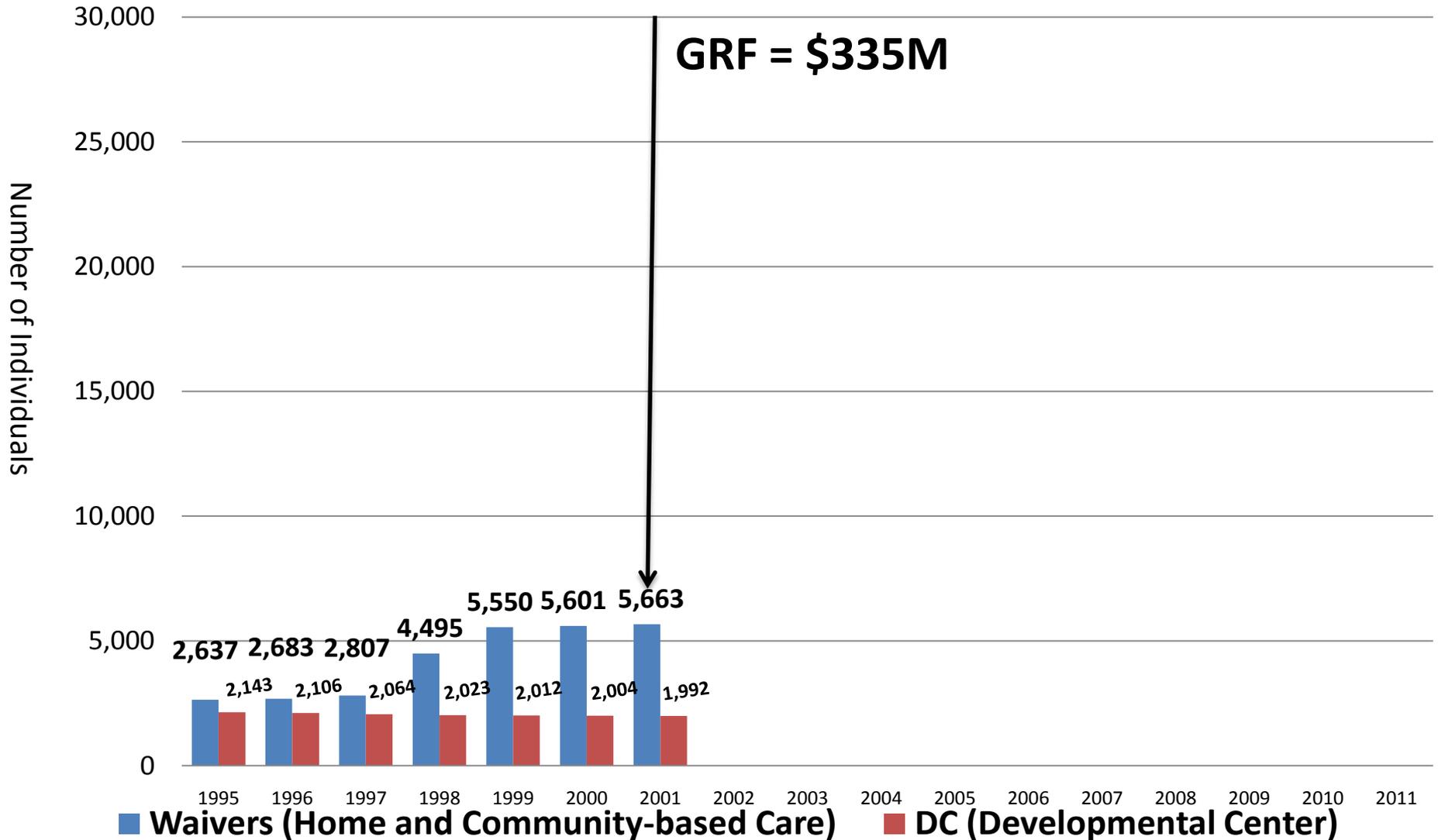
RECOMMENDATION:

Create a Single Point of Care Coordination

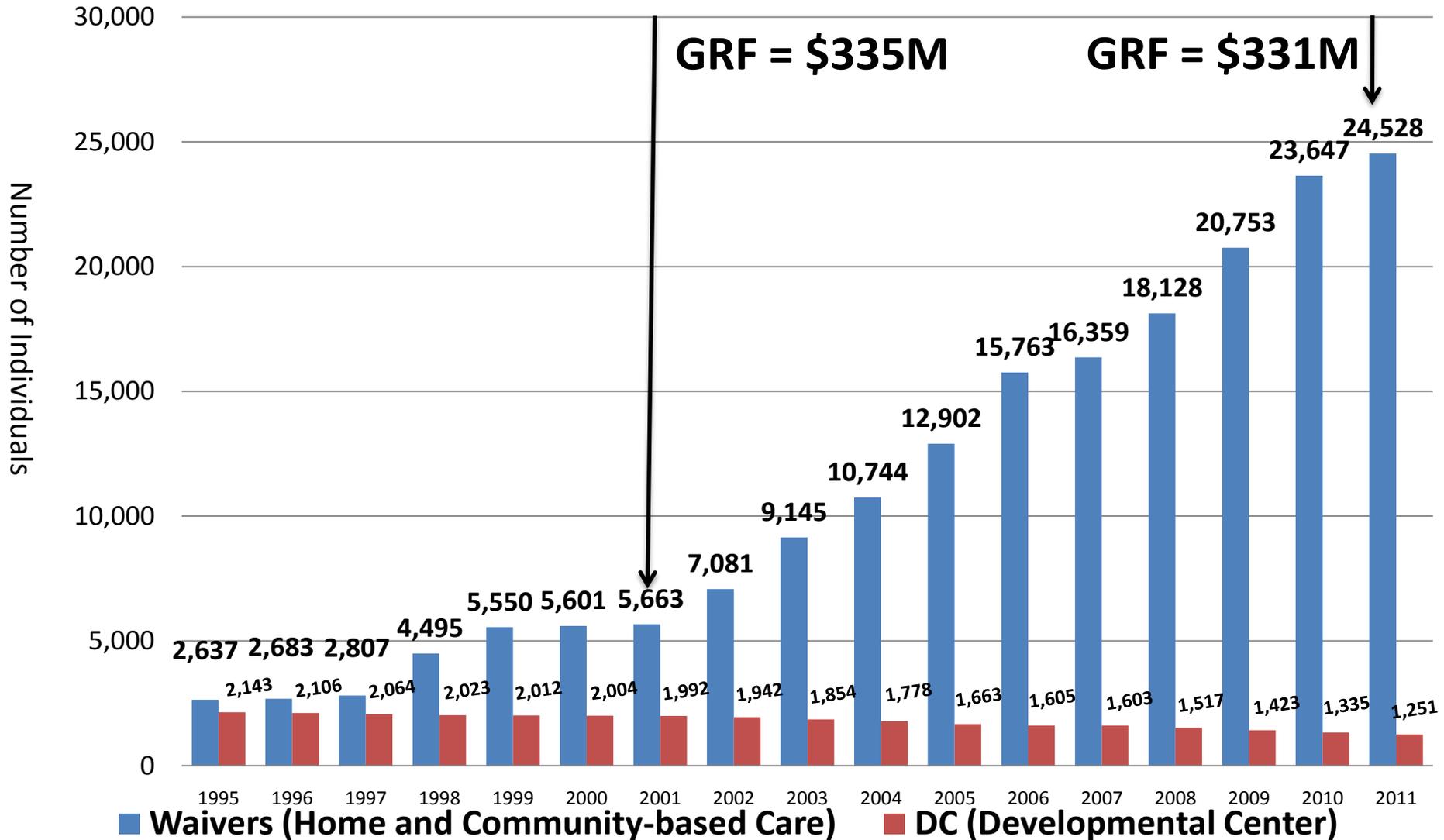
Implement an Integrated Care Delivery System:

- Focus first on 113,000 dual eligibles in nursing homes and on waivers, and individuals with severe mental illness
- Explore options for delivery models, including managed care, accountable care organizations, health homes, and other
- Require providers to have one point of care coordination
- Triple aim: improve the experience of care, enhance the health of populations, and reduce costs through improvement
- Seek the necessary federal waivers
- Budget neutral (with potential for significant future savings)

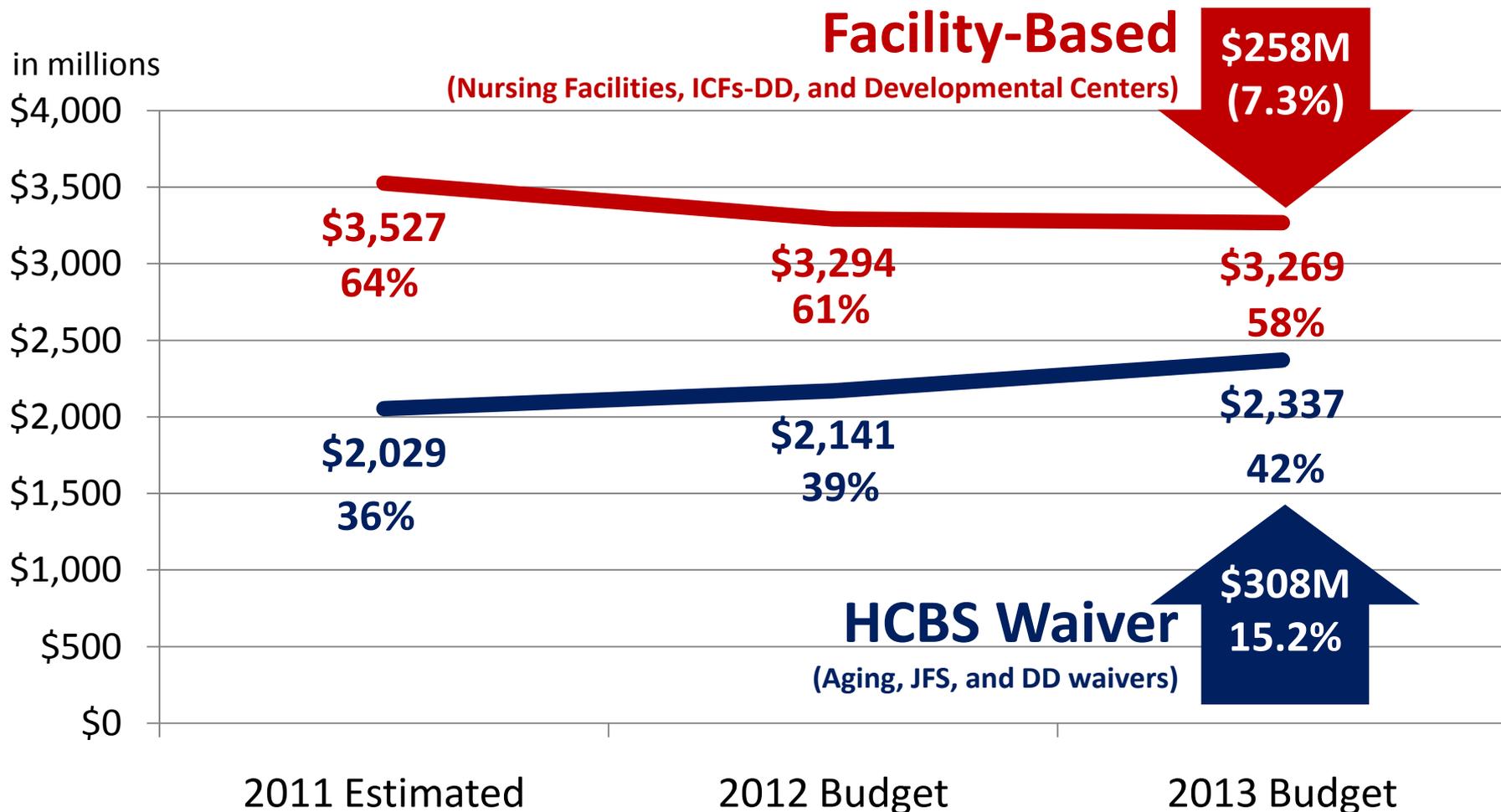
A Case Study in Transformation: Ohio Department of Developmental Disabilities



A Case Study in Transformation: Ohio Department of Developmental Disabilities



Medicaid Budget: Rebalance Medicaid Spending on Institutions vs. Home and Community Based Services



THE BLADE

Wednesday, February 9, 2011

Editorial - Medicaid realism

Dayton Daily News

Wednesday, March 9, 2011

Medicaid is 30% of state budget and growing

The Columbus Dispatch

Sunday, May 1, 2011

Editorial: Serve the seniors
Lawmakers should reduce funding to nursing homes, boost in-home services

Sunday, April 3, 2011

AKRON BEACON JOURNAL
Editorial - Ambitious for Medicaid
John Kasich wants to save money. He also has a plan to improve quality and outcomes

Dayton Daily News

Wednesday, March 9, 2011

Editorial - Kasich needs to be bold and effective

THE PLAIN DEALER

Sunday, April 10, 2011

Medicaid proposal by Gov. John Kasich would transform system in Ohio

THE REPOSITORY

Tuesday, March 22, 2011

Editorial - Medicaid needs more than tweaking.
Kasich tackles big problem areas without neglecting recipients' needs

The Columbus Dispatch

Thursday, April 7, 2011

Editorial: Rightsize it
Lawmakers should continue effort to give seniors care options



Ohio Health System Performance Priorities

Medicaid Modernization

- Coordinate care for high-cost beneficiaries
- Integrate physical and behavioral health services
- Rebalance Long-Term Care
- Modernize Reimbursement
- Streamline governance and administration

State
Leadership

Ohio Health System Performance Priorities

Medicaid Modernization

- Coordinate care for high-cost beneficiaries
- Integrate physical and behavioral health services
- Rebalance Long-Term Care
- Modernize Reimbursement
- Streamline governance and administration

State Leadership

Sustainable Coverage

- Create a Health Benefit Exchange
- Implement insurance market reforms
- Pilot delivery system reforms
- Support regional health system improvement

Federal Requirements



Ohio Health System Performance Priorities

Payment Reform	Price and Quality Transparency	Medicaid Modernization	Sustainable Coverage
<ul style="list-style-type: none">• Leverage public/private purchasing power• Focus on high-value delivery system reforms• Align State purchasing priorities	<ul style="list-style-type: none">• Measure and report health care quality and prices• Compare health plan and provider performance• Accelerate the meaningful use of HIT/HIE	<ul style="list-style-type: none">• Coordinate care for high-cost beneficiaries• Integrate physical and behavioral health services• Rebalance Long-Term Care• Modernize Reimbursement• Streamline governance and administration	<ul style="list-style-type: none">• Create a Health Benefit Exchange• Implement insurance market reforms• Pilot delivery system reforms• Support regional health system improvement
Employer Leadership	Provider Leadership	State Leadership	Federal Requirements



Ohio

Governor's Office of
Health Transformation

Thank you.

Greg Moody, Director
Governor's Office of Health Transformation

www.healthtransformation.ohio.gov