

Ohio

**Governor's Office of
Health Transformation**

Setting the Stage for Transformation

Greg Moody, Director
Governor's Office of Health Transformation

Ohio Child Health Conference
November 15, 2011

Ohioans spend more per person on health care than residents in all but 13 states¹

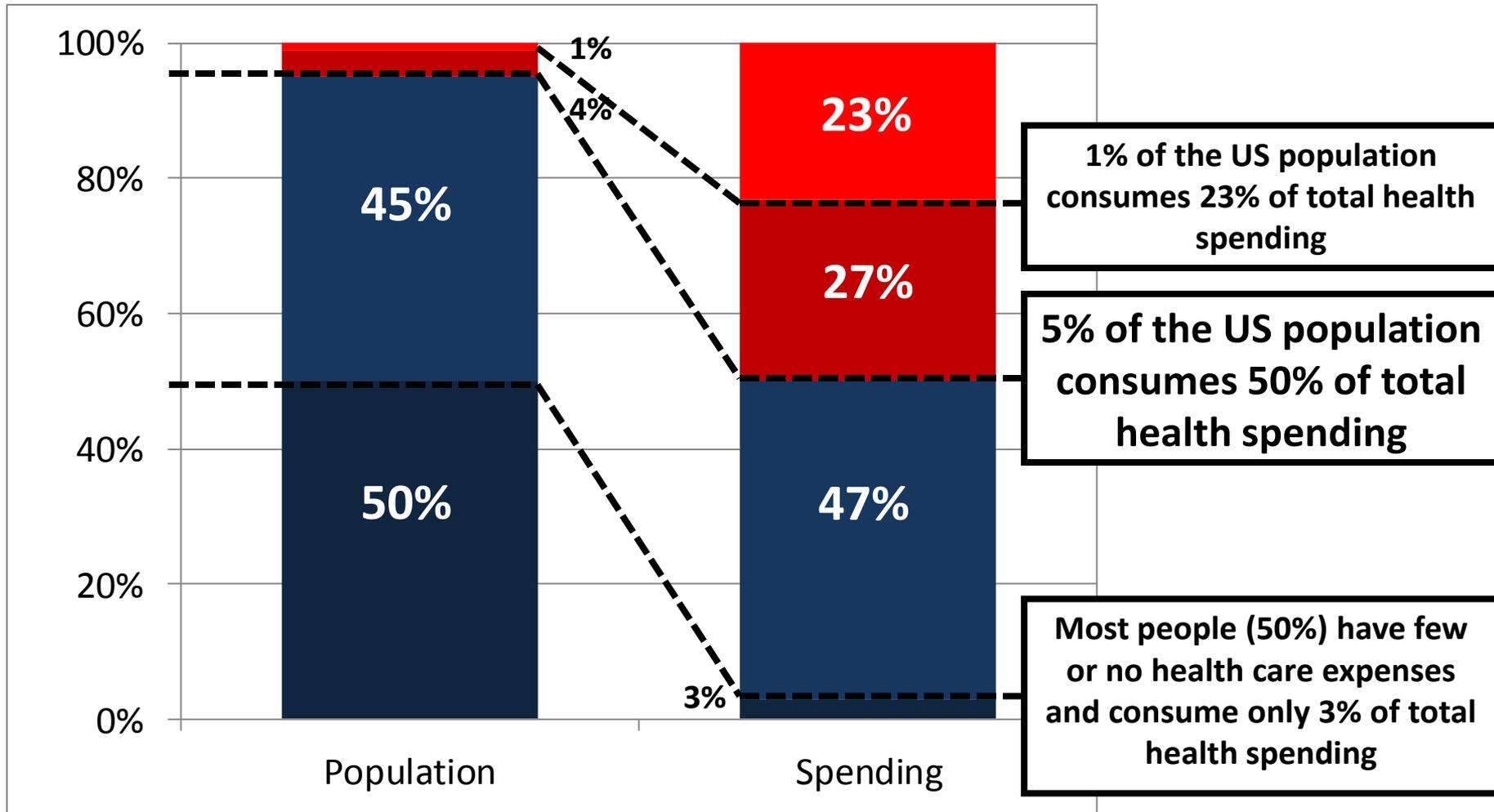
Rising health care costs are eroding paychecks and profitability

Higher spending is not resulting in higher quality or better outcomes for Ohio citizens

41 states have a healthier workforce than Ohio²



Medical Hot Spot: A few high-cost cases account for most health spending



Health Care System Choices

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- Outdated information technology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



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Health Transformation**

- 1. Modernize Medicaid,**
- 2. Streamline health and human services, and**
- 3. Engage private sector partners to set clear expectations for overall health system performance**

SOURCE: Ohio Governor John R. Kasich, Executive Order 2011-02K (January 13, 2011)

**Medicaid is Ohio's largest health payer, covering
1 in 5 Ohioans and 2 in 5 births**

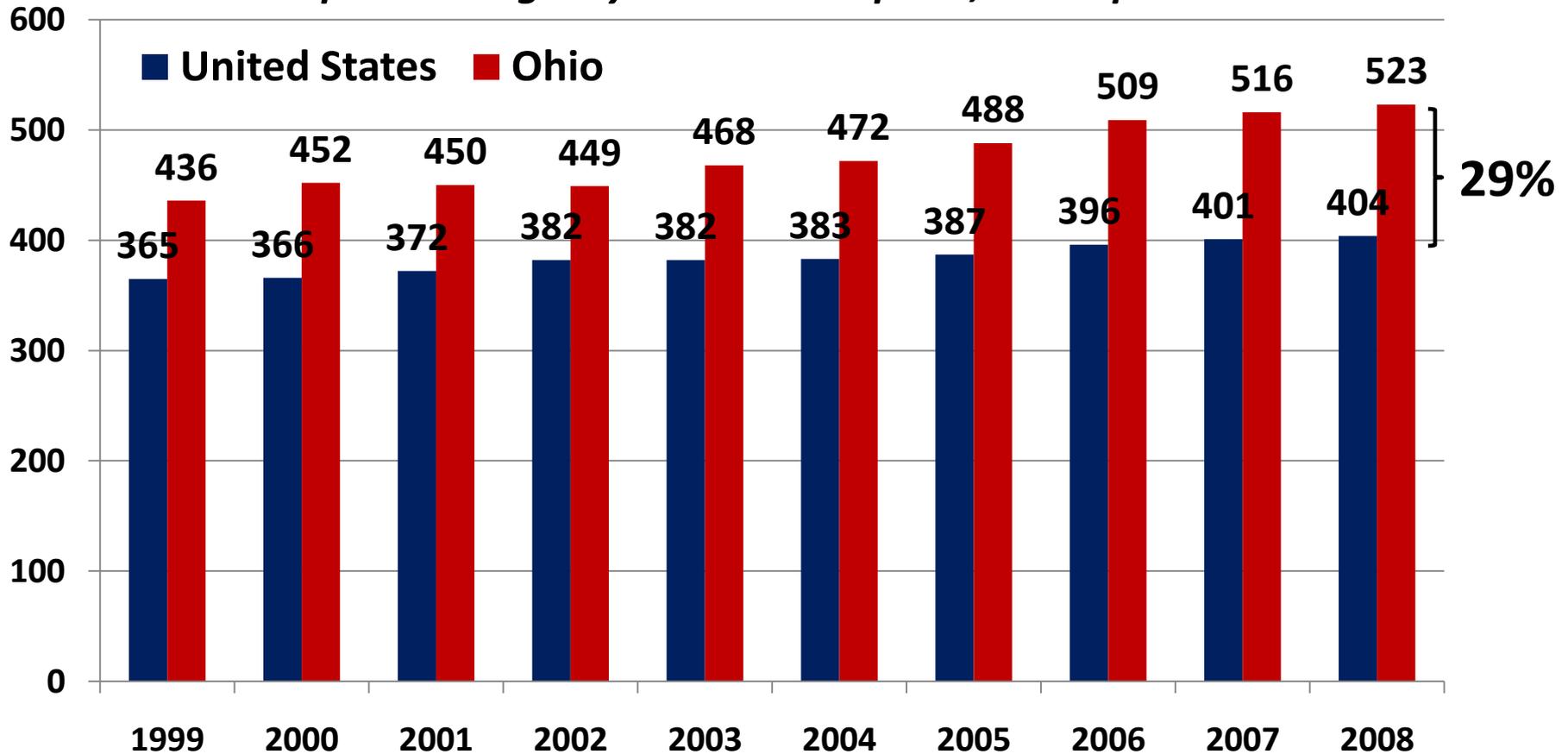
**In 2014, an estimated one million additional
Ohioans will become eligible for Medicaid**

**Medicaid spending is growing at an unsustainable
rate, four times faster than the Ohio economy**

**Ohio Medicaid now consumes 30% of total state
spending and 4% of the total Ohio economy**

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>.



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Medicaid Hot Spot: Avoidable Hospital Admissions for Children

Avoidable admissions are those conditions on admission claims that generally would not have resulted in inpatient admission if appropriate prior treatment had occurred.

Measurement	Admits	SFY 2009 Cost	Cost Per Admit
Asthma ¹	1,404	\$7,639,922	\$5,441
Perforated Appendix ²	318	\$2,517,296	\$7,916
Urinary Tract Infection ³	759	\$4,270,681	\$5,626
Low Birth Weight ⁴	7,446	\$156,110,544	\$20,965

¹ Principal diagnosis code of asthma and no secondary diagnosis code of cystic fibrosis or respiratory anomaly, for patient aged 2 years and older.

² Diagnosis code of perforated or abscessed appendix, for patients aged 1 year and older.

³ Principal diagnosis code of urinary tract infection (UTI), for patients over the age of 90 days.

⁴ Diagnosis code of low birth weight, for neonates less than 2 months of age. Admissions for newborns with a missing age are included.



Our 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

Health Transformation Priority: **Modernize Medicaid**

- Nursing facility reimbursement reform
- Medicare/Medicaid Integrated Care Delivery System
- Health homes for people with serious mental illness
- Behavioral health “elevation” and utilization control
- Early childhood health care coordination
- Medicaid managed care procurement
- Pediatric accountable care organizations

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SOURCE: House Bill 153, State of Ohio Operating Budget (enacted June 2011)

Early Childhood Health Care Coordination

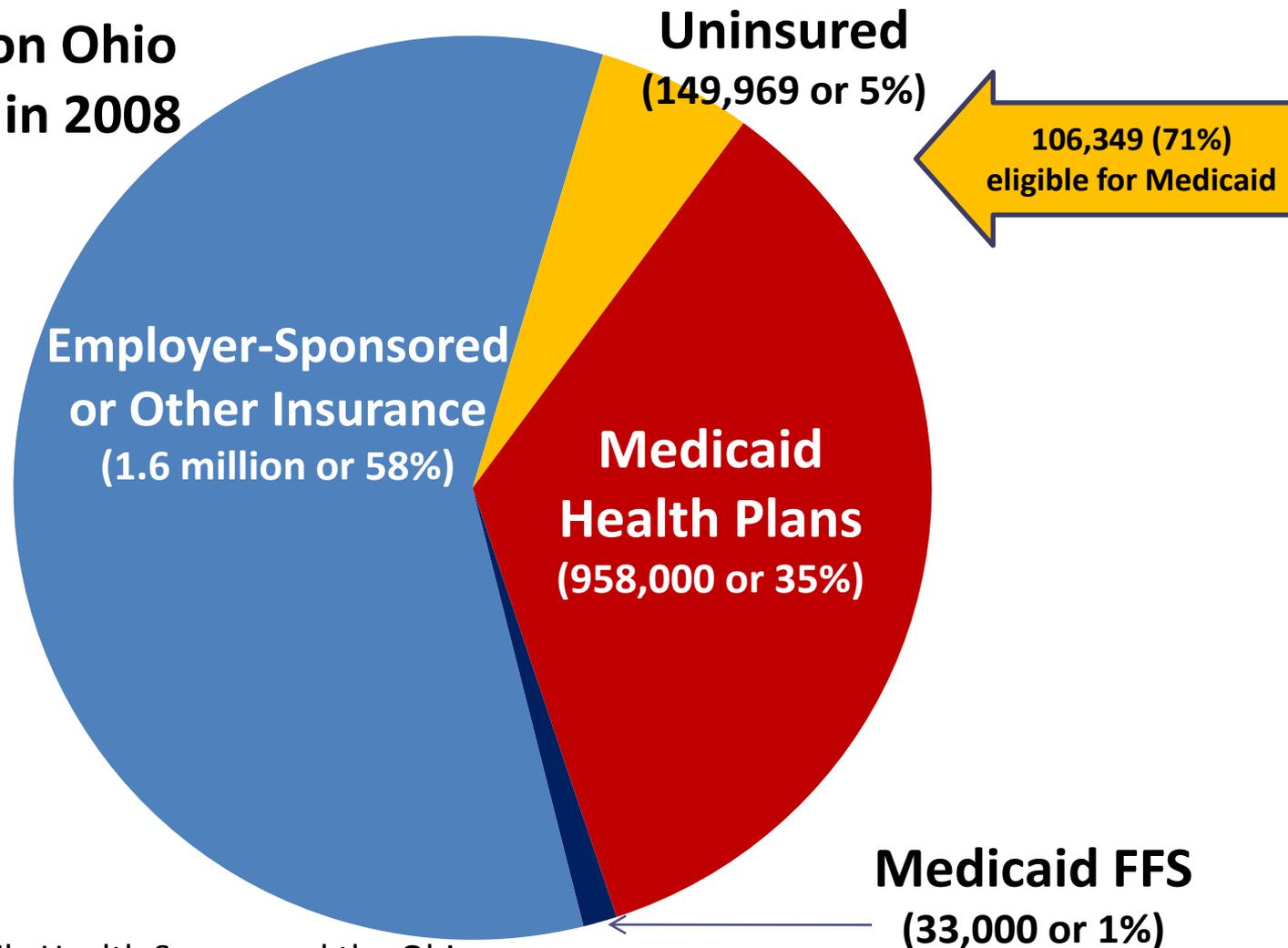
- Create a single point of care coordination that links the child and family with appropriate medical, behavioral health, and social services in the most appropriate setting for the child
- Look at the current system through a new lens and commit to remove obstacles, create true partnerships, and consolidate programs as needed
- Align policies for CPST, EPSDT, Medicaid managed care, BCMH hospital, BCMH community, Help Me Grow home visiting, Help Me Grow early intervention, Family and Children First
- Review promising models – public health coordination, Project Launch, Pathways, Partners for Kids in OH, and CT, NC, IL, VT
- Recommend a care coordination model
- OHT will coordinate with Early Education and Development...

Early Education and Development

- Governor issued an Executive Order November 16, 2011
- Elevated the importance of young children in the state and seeks to improve kindergarten readiness results in Ohio
- Creates a new position of Early Education and Development Officer in the Governor's Office
- Aligns activities of the Early Childhood Advisory Council and new Early Education and Development Innovation Committee
- Will manage project teams for quality, access and financing; professional development; assessment and standards; and family support and engagement
- Seeking a Race to the Top Early Learning Challenge Grant

Sources of Health Coverage for Ohio Children

2.7 million Ohio Children in 2008



Source: Ohio Family Health Survey and the Ohio Department of Job and Family Services, 2008

Health Management Associates

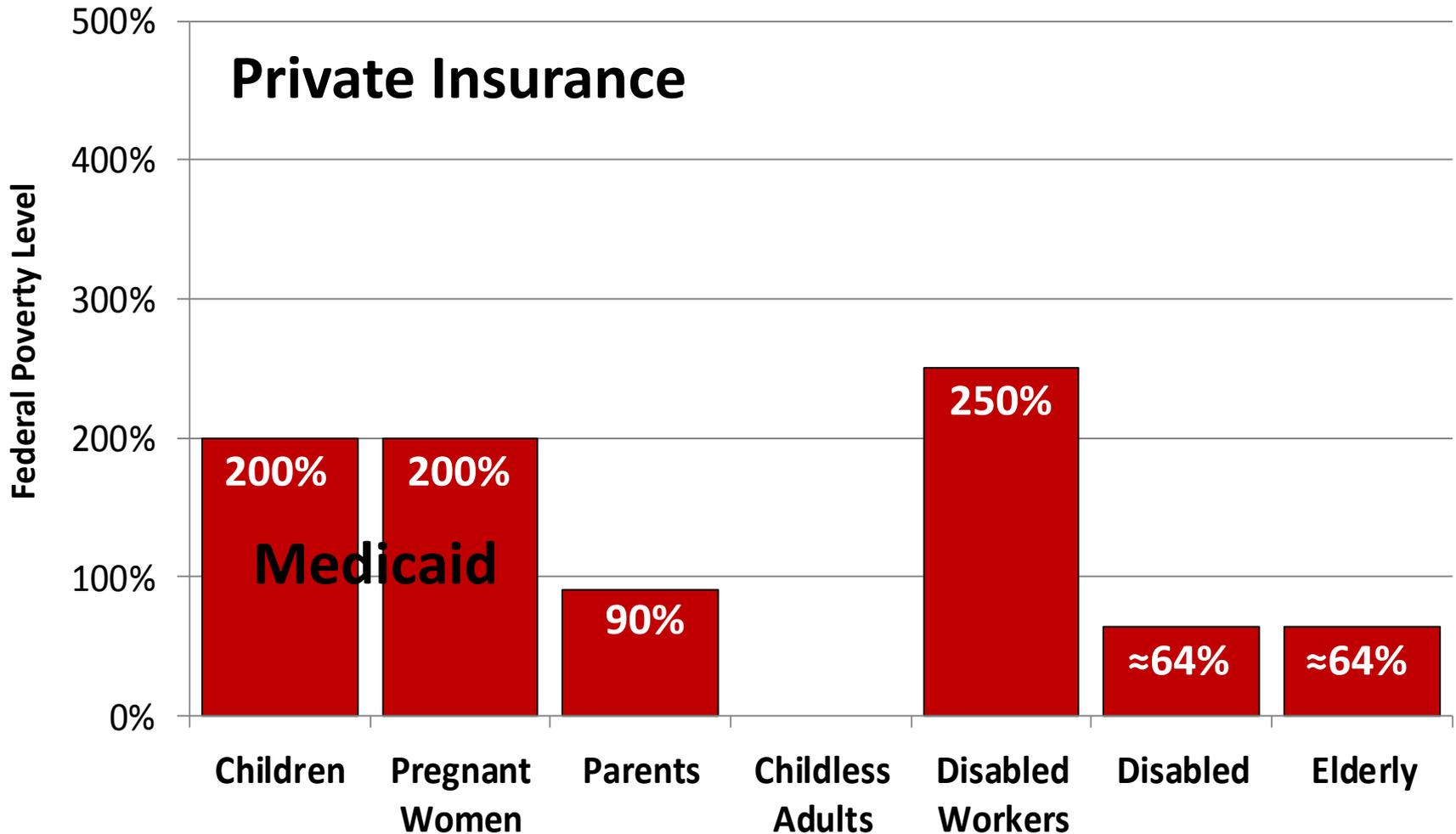


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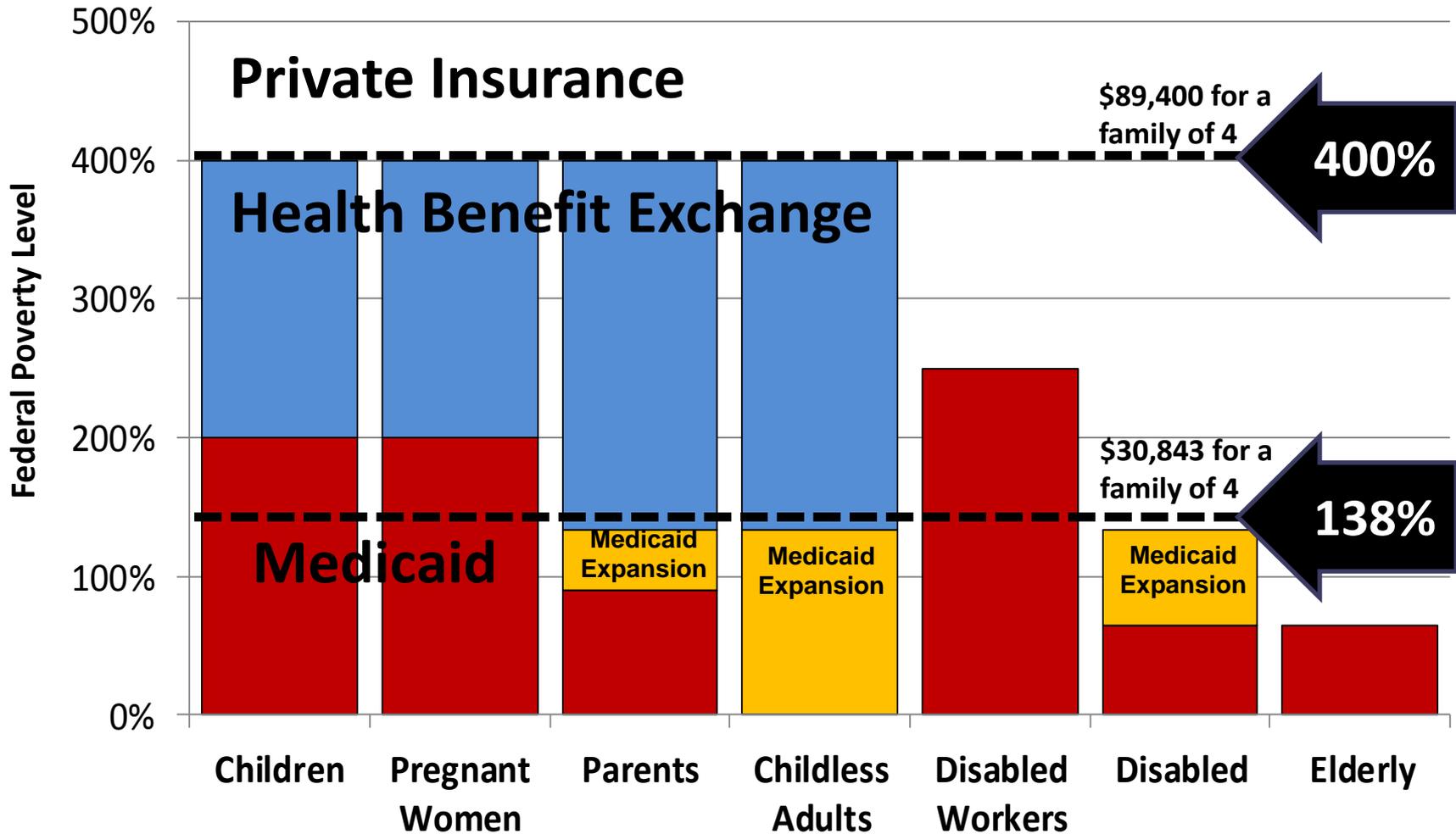
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Federal Reform: Current Medicaid Income Eligibility Levels



Federal Reform: 2014 Health Coverage Expansions



Health Transformation Priority: **Streamline Health and Human Services**

- Eligibility modernization
- Statewide data sharing
- Integrated claims payment
- Health insurance exchange
- Electronic health information exchange

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How can the State of Ohio leverage its purchasing power to improve overall health system performance?

Health Transformation Priority:

Improve Overall Health System Performance

- Standardize performance measurement
- Report performance measurement results publicly
- Reform the health care delivery payment system
- Support regional innovation in payment reform

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What will deliver better health for Ohioans and cost savings for Ohio businesses?

- Medical Homes?
- Health Homes for People with Chronic Conditions?
- Accountable Care Organizations?
- P4P or Bundled Payments or Global Payments?
- Market Competition?
- Other innovations?

Don't let the fear of failure
prevent you from taking the
risk necessary to innovate.

— Governor John Kasich