



Governor's Office of  
Health Transformation

# Accelerating Ohio's Health Transformation

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Governor's Office of Health Transformation

Medicaid Technical Assistance and Policy Program Summit  
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[www.HealthTransformation.Ohio.gov](http://www.HealthTransformation.Ohio.gov)

## 2011 Ohio Crisis

- \$8 billion state budget shortfall
- 89-cents in the rainy day fund
- Nearly dead last (48<sup>th</sup>) in job creation (2007-2009)
- Medicaid spending increased 9% annually (2009-2011)
- Medicaid over-spending required multiple budget corrections
- Ohio Medicaid stuck in the past and in need of reform
- More than 1.5 million uninsured Ohioans (75% of them working)

<b>Modernize Medicaid</b>	<b>Streamline Health and Human Services</b>	<b>Pay for Value</b>
<p><i>Initiate in 2011</i></p>	<p><i>Initiate in 2012</i></p>	<p><i>Initiate in 2013</i></p>
<p><i>Advance the Governor Kasich's Medicaid modernization and cost containment priorities</i></p>	<p><i>Share services to increase efficiency, right-size state and local service capacity, and streamline governance</i></p>	<p><i>Engage private sector partners to set clear expectations for better health, better care and cost savings through improvement</i></p>
<ul style="list-style-type: none"> <li>• Extend Medicaid coverage to more low-income Ohioans</li> <li>• Eliminate fraud and abuse</li> <li>• Prioritize home and community services</li> <li>• Reform nursing facility payment</li> <li>• Enhance community DD services</li> <li>• Integrate Medicare and Medicaid benefits</li> <li>• Rebuild community behavioral health system capacity</li> <li>• Create health homes for people with mental illness</li> <li>• Restructure behavioral health system financing</li> <li>• Improve Medicaid managed care plan performance</li> </ul>	<ul style="list-style-type: none"> <li>• Create the Office of Health Transformation (2011)</li> <li>• Implement a new Medicaid claims payment system (2011)</li> <li>• Create a unified Medicaid budget and accounting system (2013)</li> <li>• Create a cabinet-level Medicaid Department (July 2013)</li> <li>• Consolidate mental health and addiction services (July 2013)</li> <li>• Simplify and replace Ohio's 34-year-old eligibility system</li> <li>• Coordinate programs for children</li> <li>• Share services across local jurisdictions</li> <li>• Recommend a permanent HHS governance structure</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in Catalyst for Payment Reform</li> <li>• Support regional payment reform initiatives</li> <li>• Pay for value instead of volume (State Innovation Model Grant)               <ul style="list-style-type: none"> <li>– Provide access to medical homes for most Ohioans</li> <li>– Use episode-based payments for acute events</li> <li>– Coordinate health information infrastructure</li> <li>– Coordinate health sector workforce programs</li> <li>– Report and measure system performance</li> </ul> </li> </ul>

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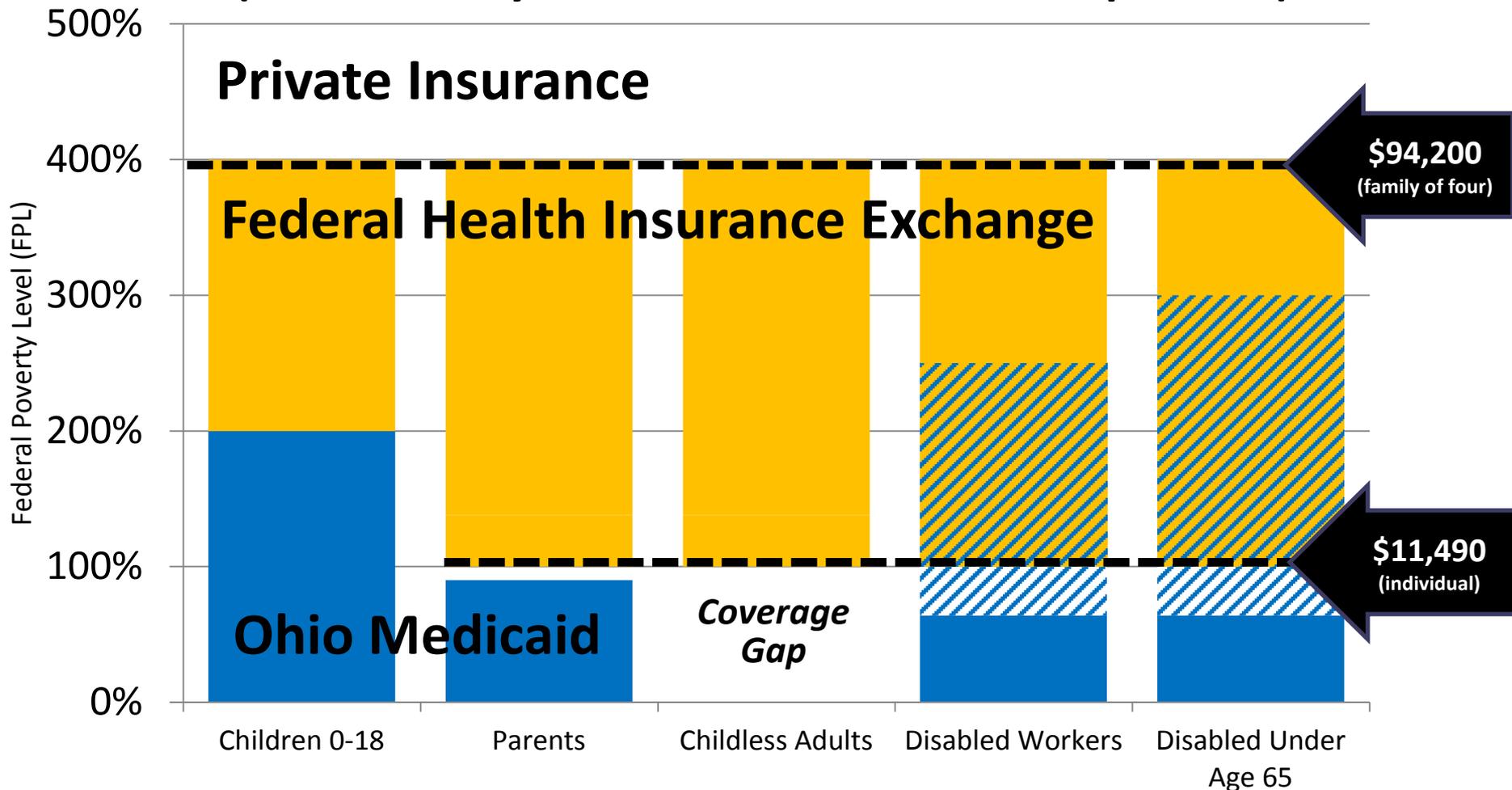
vs.

## Results Today

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# Ohio Medicaid and Insurance Exchange Eligibility

(as of January 2014 without Medicaid expansion)



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# Ohio's State Innovation Model (SIM) Test Grant Application

- Population Health Plan
- Delivery System Transformation Plan, including better care coordination, particularly for the most complicated patients
- Payment Innovation Models, including patient-centered medical home and episode-based payment models
- Regulatory Plan, including health sector workforce development
- Health Information Technology Plan
- Stakeholder Engagement
- Quality Measurement

## Colleges of Medicine Priority: “Leveraging existing appropriations focused on workforce development and training innovation”

Line Item	University or Program	SFY 2015
235-536	OSU Clinical Teaching	\$9,668,941
235-572	OSU Clinic Support	\$766,533
235-537	University of Cincinnati Clinical Teaching	\$7,952,573
235-474	Area Health Education Centers	\$900,000
235-538	University of Toledo Clinical Teaching	\$6,198,600
235-519	Family Practice	\$3,166,185
235-539	Wright State University Clinical Teaching	\$3,011,400
235-541	Northeast Ohio Medical University Clinical Teaching	\$2,994,178
235-540	Ohio University Clinical Teaching	\$2,911,212
235-515	Case Western Reserve School of Medicine	\$2,146,253
235-526	Primary Care Residencies	\$1,500,000
235-608	Human Services Project	\$1,000,000
235-606	Nursing Loan Program	\$891,320
235-525	Geriatric Medicine	\$522,151
<b>Total</b>		<b>\$43,629,346</b>



# 5-Year Goal for Payment Innovation

## Goal

80-90 percent of Ohio's population in some value-based payment model (combination of episodes- and population-based payment) within five years

## State's Role

- Shift rapidly to PCMH and episode model in Medicaid fee-for-service
- Require Medicaid MCO partners to participate and implement
- Incorporate into contracts of MCOs for state employee benefit program

### Patient-centered medical homes

### Episode-based payments

## Year 1

- In 2014 focus on Comprehensive Primary Care Initiative (CPCi)
- Payers agree to participate in design for elements where standardization and/or alignment is critical
- Multi-payer group begins enrollment strategy for one additional market

- State leads design of five episodes: asthma acute exacerbation, perinatal, COPD exacerbation, PCI, and joint replacement
- Payers agree to participate in design process, launch reporting on at least 3 of 5 episodes in 2014 and tie to payment within year

## Year 3

- Model rolled out to all major markets
- 50% of patients are enrolled

- 20 episodes defined and launched across payers

## Year 5

- Scale achieved state-wide
- 80% of patients are enrolled

- 50+ episodes defined and launched across payers



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# Ohio's Health Care Payment Innovation Partners:



# High-Value Targets for State-University MEDTAPP Collaboration

*Broaden the State's involvement across institutions – and through collaboration among institutions – to advance:*

- Payment Innovation
- Medicaid-focused clinical quality improvement projects
- Medicaid-focused data analytics
- Use of mobile health technology
- Interdisciplinary care team models
- Consumer engagement and empowerment



## Ohio's Innovation Model Test Grant Application

- Population Health Plan
- Delivery System Plan
- Payment Models
- Regulatory Plan
- HIT Plan
- Stakeholder Engagement
- Quality Measurement

### Current Initiatives

#### Modernize Medicaid

- Extend Medicaid coverage to more low-income Ohioans
- Reform nursing facility reimbursement
- Integrate Medicare and Medicaid benefits
- Prioritize home and community based services
- Create health homes for people with mental illness
- Rebuild community behavioral health system capacity
- Enhance community developmental disabilities services
- Improve Medicaid managed care plan performance

#### Streamline Health and Human Services

- Implement a new Medicaid claims payment system
- Create a cabinet-level Medicaid department
- Consolidate mental health and addiction services
- Simplify and integrate eligibility determination
- Coordinate programs for children
- Share services across local jurisdictions

#### Pay for Value

- Engage partners to align payment innovation
- Provide access to patient-centered medical homes
- Implement episode-based payments
- Coordinate health information technology infrastructure
- Coordinate health sector workforce programs
- Support regional payment reform initiatives
- Federal Health Insurance Exchange