

ODJFS Issues RFA Aimed at Restructuring, Refocusing Medicaid Managed Care

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The Ohio Department of Job and Family Services (ODJFS) Wednesday announced major changes in the way the state's Medicaid managed care program will be organized as it issued a request for applications (RFA) from qualified managed care organizations interested in providing service in 2013 -- when the new contracts will take effect.

The major changes include consolidating the Aged, Blind and Disabled (ABD) and Covered Families and Children (CFC) managed care programs into a single program operated in three -- not eight -- districts in the state. The other major shift is the one announced earlier this week (see The Hannah Report, 1/9/12) -- the shift to "pay for performance" to "reward value rather than volume" as a way to improve health outcomes for the state's Medicaid clients and to save money.

Currently, the ODJFS Office of Ohio Health Plans (Ohio Medicaid) oversees seven health plans that serve more than 1.6 million low-income, Medicaid-eligible Ohioans.

"The purpose of managed care is to improve health outcomes for individuals enrolled in the Medicaid program," said Ohio Medicaid Director John McCarthy. "As our partners, managed care organizations are expected to improve health outcomes by ensuring access to care and providing intensive case management services to those individuals who have the highest need and often the most complex medical and social conditions."

Office of Health Transformation spokesman Eric Poklar told Hannah News that it is also the hope the managed care plans will focus on performance with their own providers.

According to the release, "Ohio Medicaid will evaluate managed care plans that respond to the RFA based on their past performance in coordinating care and providing high-quality health outcomes. Ohio Medicaid will also use new managed care contract language that is based on model health plan contract language created by Catalyst for Payment Reform, a national, nonprofit organization dedicated to achieving better and higher-value health care. The new contracts will increase expectations regarding the national performance standards managed care plans must meet to receive financial incentive payments, and plans will be required to develop incentives for providers that are tied to improving quality and health outcomes for enrollees."

Poklar said that language has yet to be developed.

The reduced number of service regions and the combining of the two programs mean an increase in "individual choice and competition, because larger service regions will allow Ohio to offer beneficiaries four plan choices, up from two or three currently, while preserving the relationships beneficiaries have with their doctors and other medical professionals."

From the plans' perspectives, the number of enrollees in the area will increase to "no fewer than 65,000 enrollees in each service area." Currently, one service area has only 2,800 enrollees.

In addition, it means reduced complexity and administrative costs at the state level.

"Through the RFA process, ODJFS will select a limited number of applicants to enter into Medicaid managed care provider agreements with the state of Ohio. Eligible RFA applicants will be qualified

managed care organizations that best demonstrate the ability to offer the required health care services, agree to meet Ohio's program specifications, and ensure accountability and cost-effectiveness.

The population to be served under the RFA includes approximately 1.6 million individuals enrolled in Ohio's CFC program, 125,000 enrolled in the state's ABD program, and 37,000 children with special needs. Ohio's Medicaid program serves more than 2.1 million low-income Ohioans. Enrollment under the new contracts is expected to begin Jan. 1, 2013.

The RFA can be found online at <http://jfs.ohio.gov/RFP/>. Additional announcements and updates will be provided at <http://mcp.ohio.gov>.