

Office of Health Transformation **Modernize Medicaid Benefits**

Governor Kasich's Budget:

- *Moves behavioral health services into managed care.*
- *Creates a special benefit program for adults with severe mental illness.*
- *Expands the Medicaid in Schools Program.*
- *Invests \$193 million (\$55 million state share) over two years.*

Background:

Ohio Medicaid makes health care coverage available to more than 2.9 million residents through five private managed care plan provider networks and its own network of 83,000+ providers in the fee-for-service program. Benefit thresholds for Medicaid vary from state to state. However, each state's Medicaid program must provide, at minimum, services within the following categories: ambulatory services, emergency services, hospitalization, maternity and newborn care, mental health and behavioral health services, prescription drugs, rehabilitative and habilitative services, laboratory services, preventative care and wellness services, and pediatric services. Ohio Medicaid's fee-for-service program goes beyond the essential health benefit (EHB) to include additional coverage such as, dental and vision services and physical therapy. Medicaid managed care plans are required to cover all services included in Medicaid fee-for-service. The plans also have the ability to cover additional services not included through traditional Medicaid.

Executive Budget Proposal and Impact:

The Executive Budget invests in three important benefit expansions that protect vulnerable populations and improve care in ways that will save taxpayer dollars over the long term. It moves behavioral health services in managed care, creates a new behavioral health waiver program, and expands the Medicaid in Schools Program (MSP). These provisions cost \$193 million (\$55 million state share) over two years.

- ***Improve care coordination and outcomes through managed behavioral healthcare.*** In order to improve care coordination and behavioral health and overall health outcomes for people with mental health and addiction service needs, Ohio Medicaid and the Ohio Department of Mental Health and Addiction Services (MHAS) will restructure all Medicaid-reimbursed behavioral health services under some form of managed care. Providers include community behavioral health organizations, inpatient hospitals, clinics, and specialty practitioners. Ohio Medicaid and MHAS will coordinate the effort to organize services under managed care with other reforms to modernize the

behavioral health benefit and identify high risk/high severity populations (see *Rebuild Community Behavioral Health System Capacity*). Ohio Medicaid and MHAS have not made any final decisions on the specific requirements for care coordination and the types of managed care entity or entities that will be contracted with for this purpose. Ohio Medicaid and MHAS will develop structured processes for stakeholder input to occur during March 2015, and will make final decisions shortly after that time. This provision costs \$68.9 million (\$25.9 million state share) in 2017.

- **Create a special benefit program for adults with severe mental illness.** As a result of the new single disability determination process proposed in the Executive Budget (see *Simplify Eligibility Determination*), the majority of people whose income will be above the Medicaid need standard adopted under the new system are adults with severe and persistent mental illness (SPMI). These Ohioans will have access to basic health care services through Medicare or private insurance. However, neither Medicare nor private insurance pay for a range of service coordination and community support activities currently covered in the Medicaid program. In order to ensure continued access to these services, Ohio Medicaid will seek a state plan amendment under section 1915(i) of the Social Security Act to provide for eligibility for adults with SPMI with income up to 225 percent of poverty (300 percent of the Federal Benefit Rate) who are not eligible under another Medicaid category and who meet diagnostic and needs assessment criteria established by the state and validated by a third party entity. Ohio will also identify home and community based services needed by this population to be covered as services under the 1915(i) authority. MHAS will contract with a vendor pursuant to requirements established by Ohio Medicaid to validate the diagnostic and needs assessments conducted by qualified behavioral health providers. These assessments will be used to authorize eligibility and services under 1915(i). The 1915(i) services will be developed in conjunction with a broader benefit redesign (described in *Rebuild Community Behavioral Health Capacity*). MHAS staff will conduct outreach efforts with behavioral health providers and consumer and family organizations to ensure support for people who need to enroll in the 1915(i) program. This provision costs \$34.4 million (\$12.9 million state share) in 2016 and \$43.5 million (\$16.4 million state share) in 2017.
- **Expand the Medicaid in Schools Program.** Ohio Medicaid reimburses schools through the Medicaid in Schools Program for services provided to children with an Individualized Education Plan (IEP), including but not limited to behavioral health, nursing, occupational therapy, targeted case management and specialized transportation. The school is responsible for providing these services, but can draw federal funds through the MSP program to reimburse 64 percent of the cost. Currently, there are 580 school systems enrolled in the MSP program serving 61,000 Medicaid-eligible students with an IEP. Ohio Medicaid recently made several important improvements in the MSP program, developing guidance on a number of topics including nursing in school versus use of state plan private duty nursing, using tele-health codes for speech-language pathology, updating claiming codes, billing for assessments and evaluations, and initiating discussions with schools and other stakeholders to improve program integrity. Although

Medicaid cannot cover all services that may be included in an IEP, the Executive Budget expands MSP program coverage to include intensive behavioral services provided by a Certified Ohio Behavioral Analyst (COBA), services provided by an aide under the direction of a registered nurse or COBA, and specialized transportation from a child's home to school. This provision will allow schools to claim federal funds totaling \$22.2 million in 2016 and \$24.3 million in 2017 for services that the school districts otherwise would have been required to provide with their own funds. There will be no impact on the state general revenue fund because the school districts provide the local match, through expenditures tied to eligible IEP services, to draw federal Medicaid funds.

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