



**Governor's Office of
Health Transformation**

Better Health, Better Care, and Cost Savings Through Improvement

Greg Moody, Director

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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

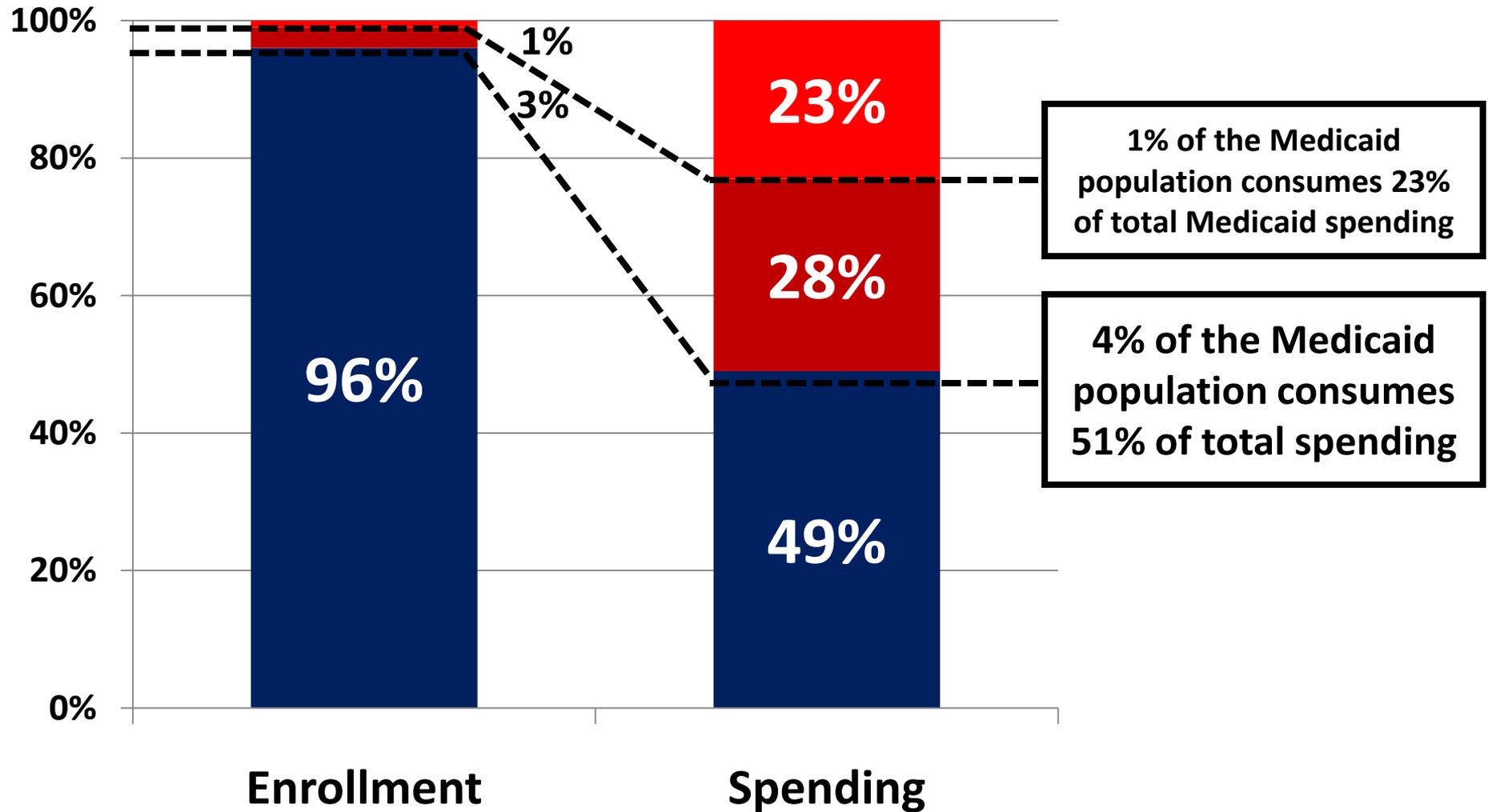
Prevention, Primary Care, and Care Coordination¹

- 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.

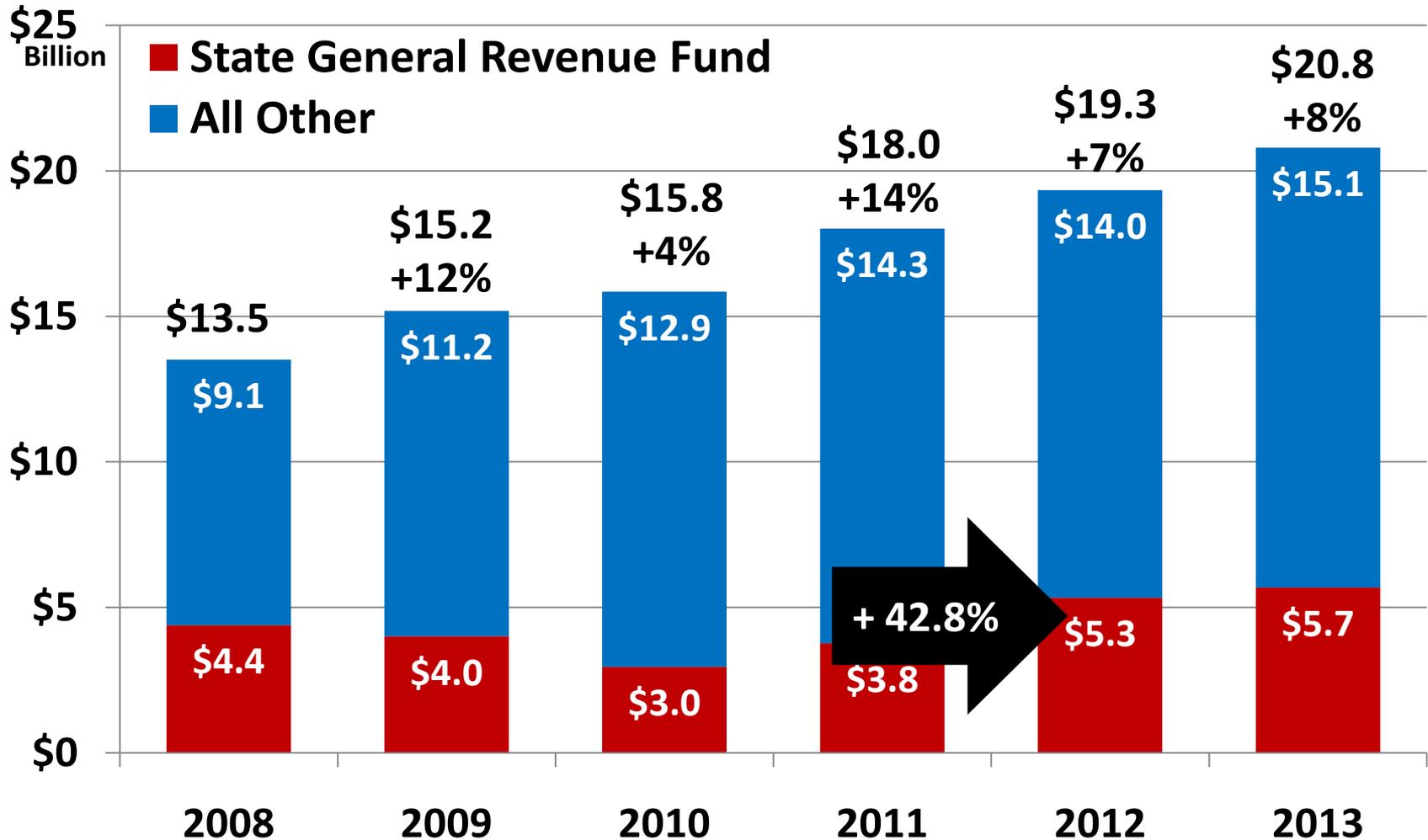
Coordination

- 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- Outdated information technology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



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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)

Health Transformation Priorities

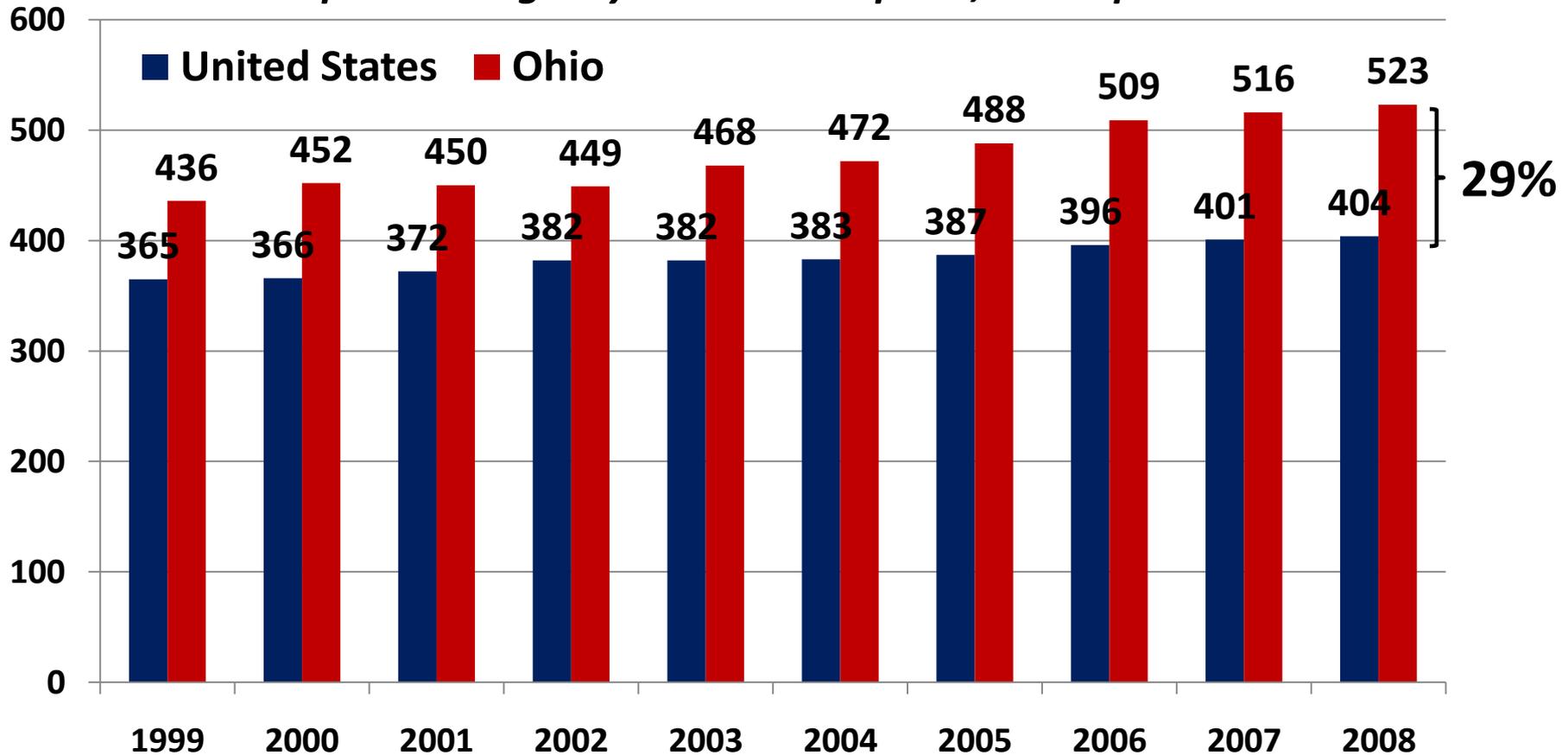
- Improve Care Coordination
- Integrate Behavioral/Physical Health Care
- Rebalance Long-Term Care
- Modernize Reimbursement
- Balance the Budget

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 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>.

RECOMMENDATION:

Promote Health Homes

HB 153 directs the Director of the Ohio Department of Health to define Medicaid Health Homes to ensure consistency in delivery of care and set a standard for reimbursement (3701.032)

- Comprehensive care management
- Care coordination and health promotion
- Comprehensive transitional care, including appropriate follow-up, from inpatient to other settings
- Patient and family support (including authorized reps)
- Referral to community and social support services
- Use of health information technology to link services
- \$900,000 in FY 2012 and \$46,350,000 in FY 2013

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)

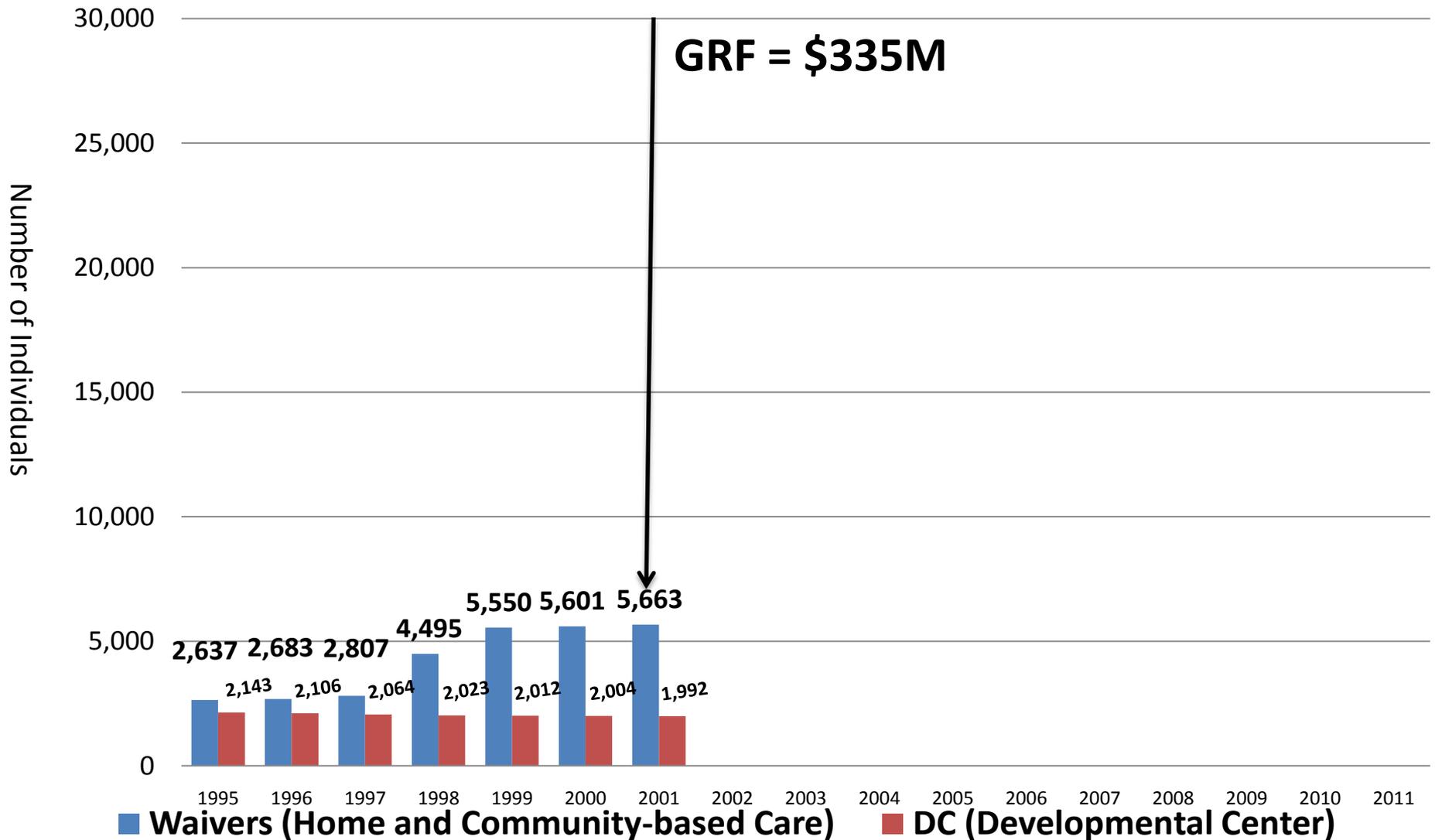
Rebalance Long Term Care

Enable seniors and people with disabilities to live with dignity in the settings they prefer

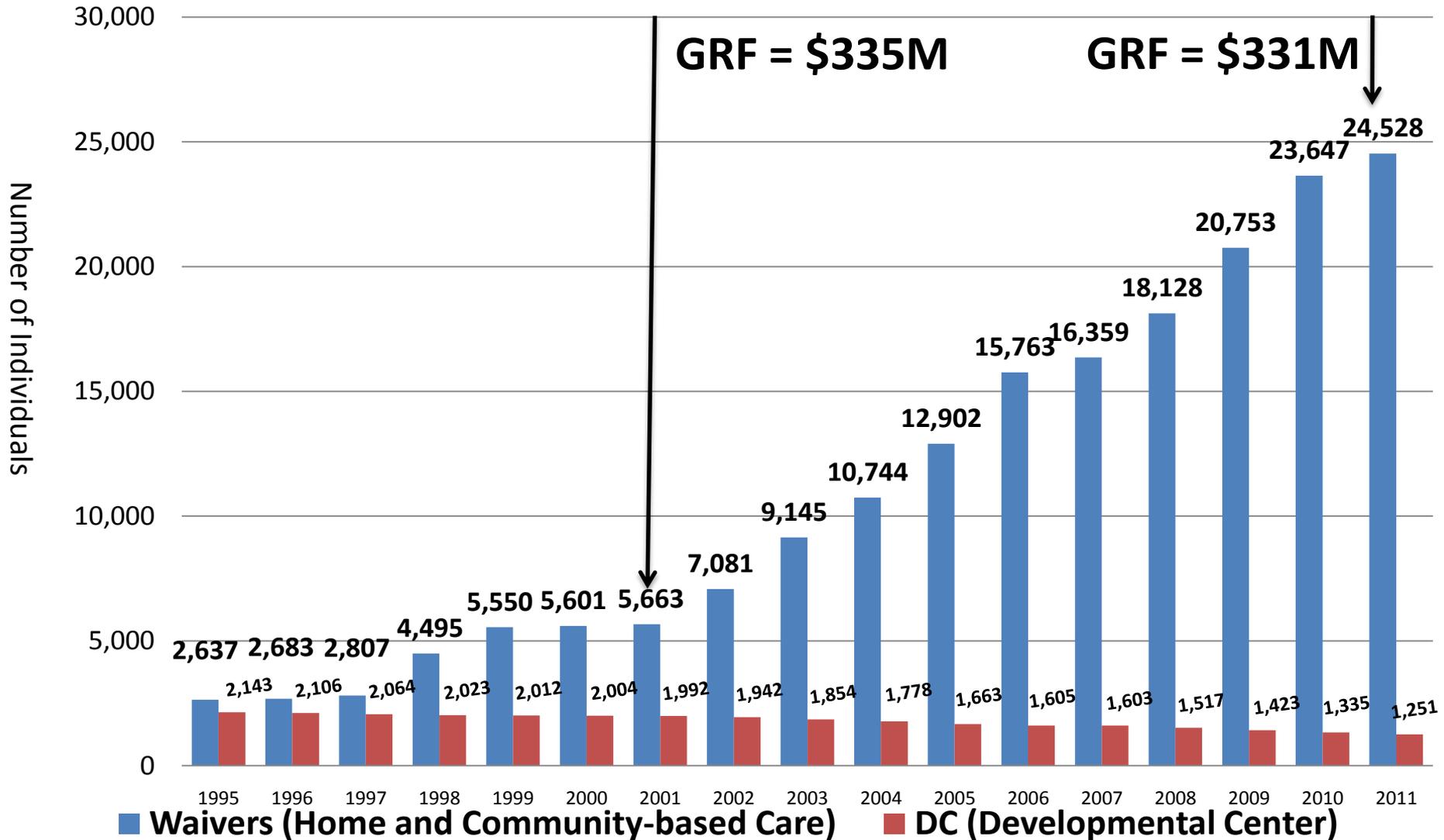
RECOMMENDATIONS:

- Align programs for people with developmental disabilities
- Create a Unified Long Term Care System
- Reform nursing facility payments, link to person-centered outcomes, and provide common sense regulatory relief

A Case Study in Transformation: Ohio Department of Developmental Disabilities



A Case Study in Transformation: Ohio Department of Developmental Disabilities



RECOMMENDATION:

Reform Nursing Facility Payments

- Nursing facilities are an essential service in the continuum of long-term care
- Ohioans spend more per person on nursing home care than residents in all but 5 states¹
- Ohio has more nursing homes than all but 2 states²
- Ohioans are more likely to live near a nursing home than a public high school³
- Medicaid reforms in FY 2007 began the process of addressing these issues by transitioning to a price-based payment system

Sources:

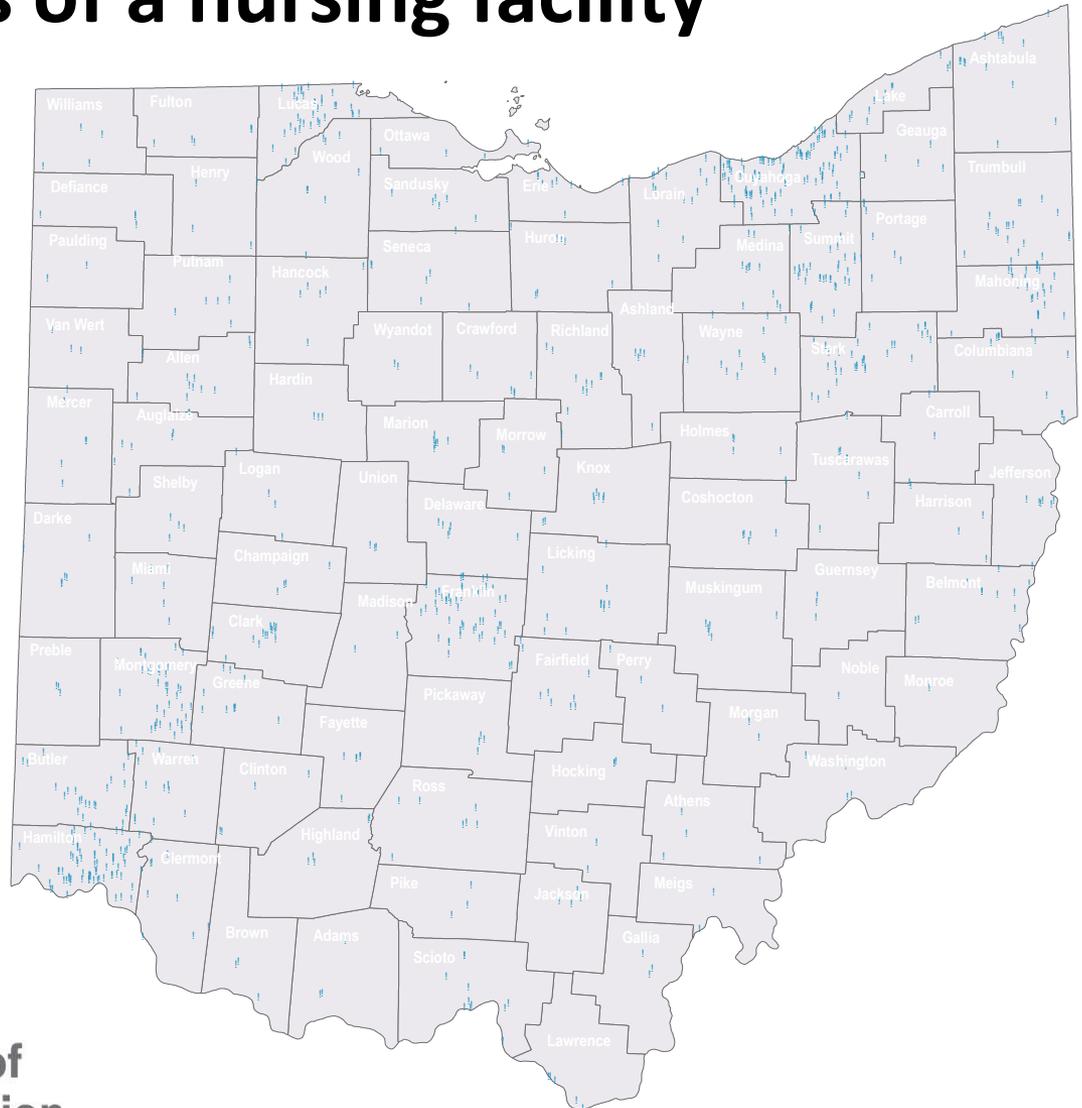
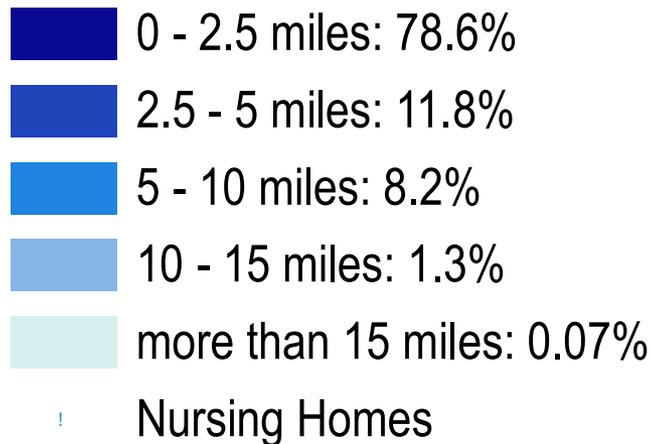
1. <http://www.statehealthfacts.org/comparetable.jsp?ind=597&cat=5>
2. <http://www.statehealthfacts.org/comparemaptable.jsp?ind=411&cat=8>
3. There are 962 nursing homes and 897 public high schools in Ohio

Medical Hot Spot: Per Capita Health Spending: Ohio vs. US

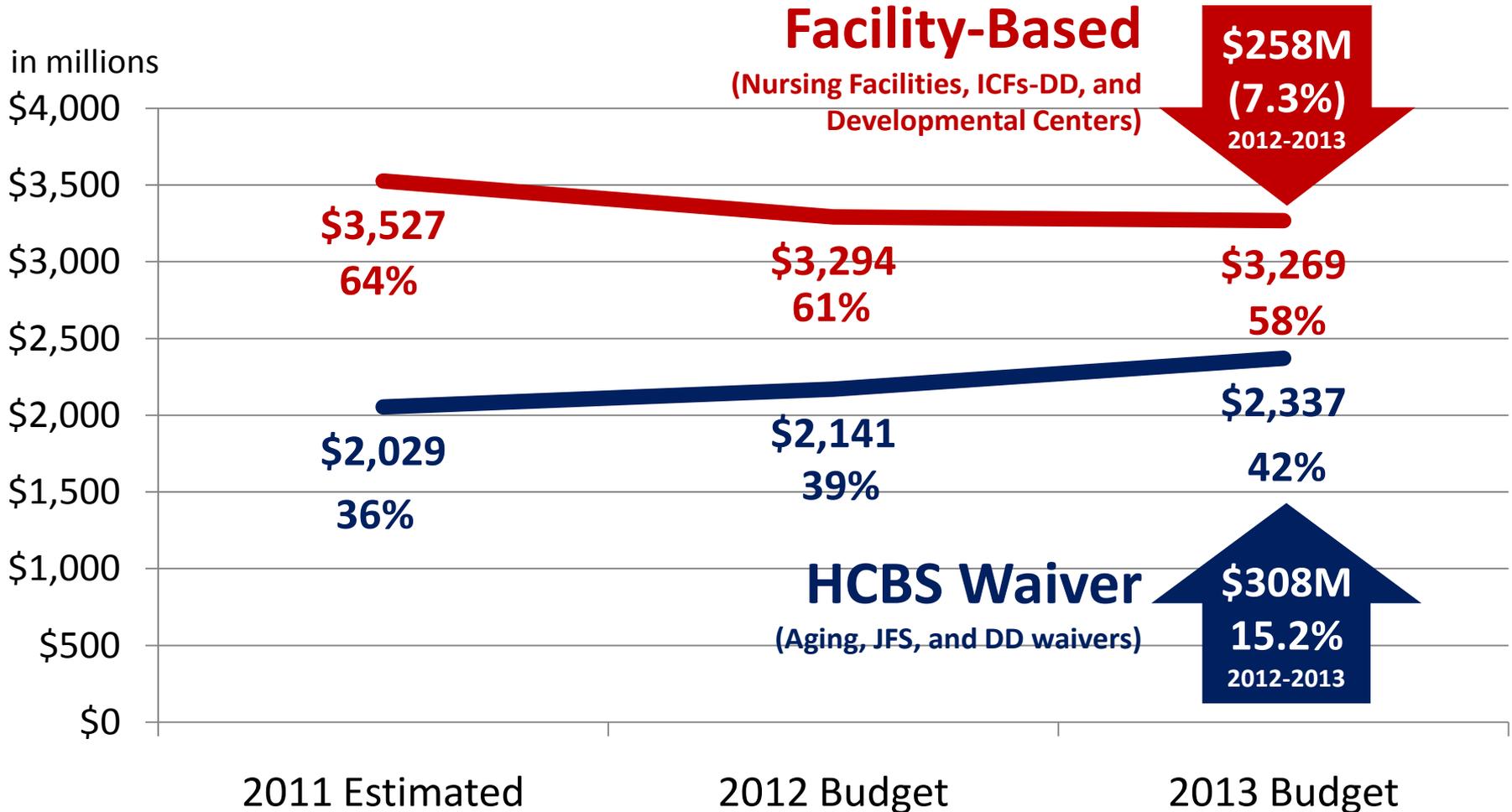
Measurement	US	Ohio	Percentage Difference	Affordability Rank (Out of 50 States)
Total Health Spending	\$5,283	\$5,725	+ 8%	37
Hospital Care	\$1,931	\$2,166	+ 12%	38
Physician and Clinical Services	\$1,341	\$1,337	- 0.3%	27
Nursing Home Care	\$392	\$596	+ 52%	45
Home Health Care	\$145	\$133	- 8.3%	35

98.6% of Medicaid enrollees live within 10 miles of a nursing facility

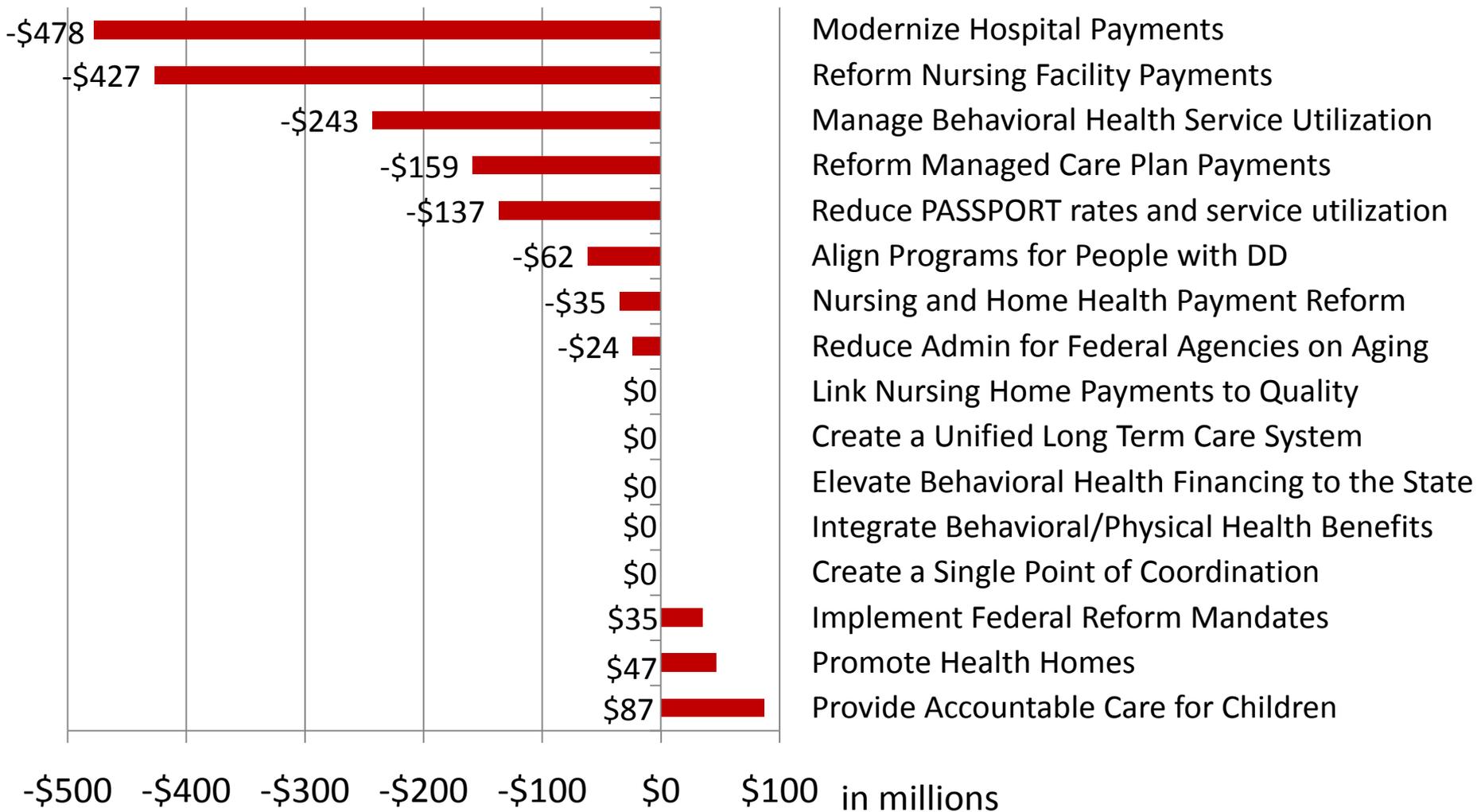
Percent of Medicaid enrollees within distance of a nursing facility



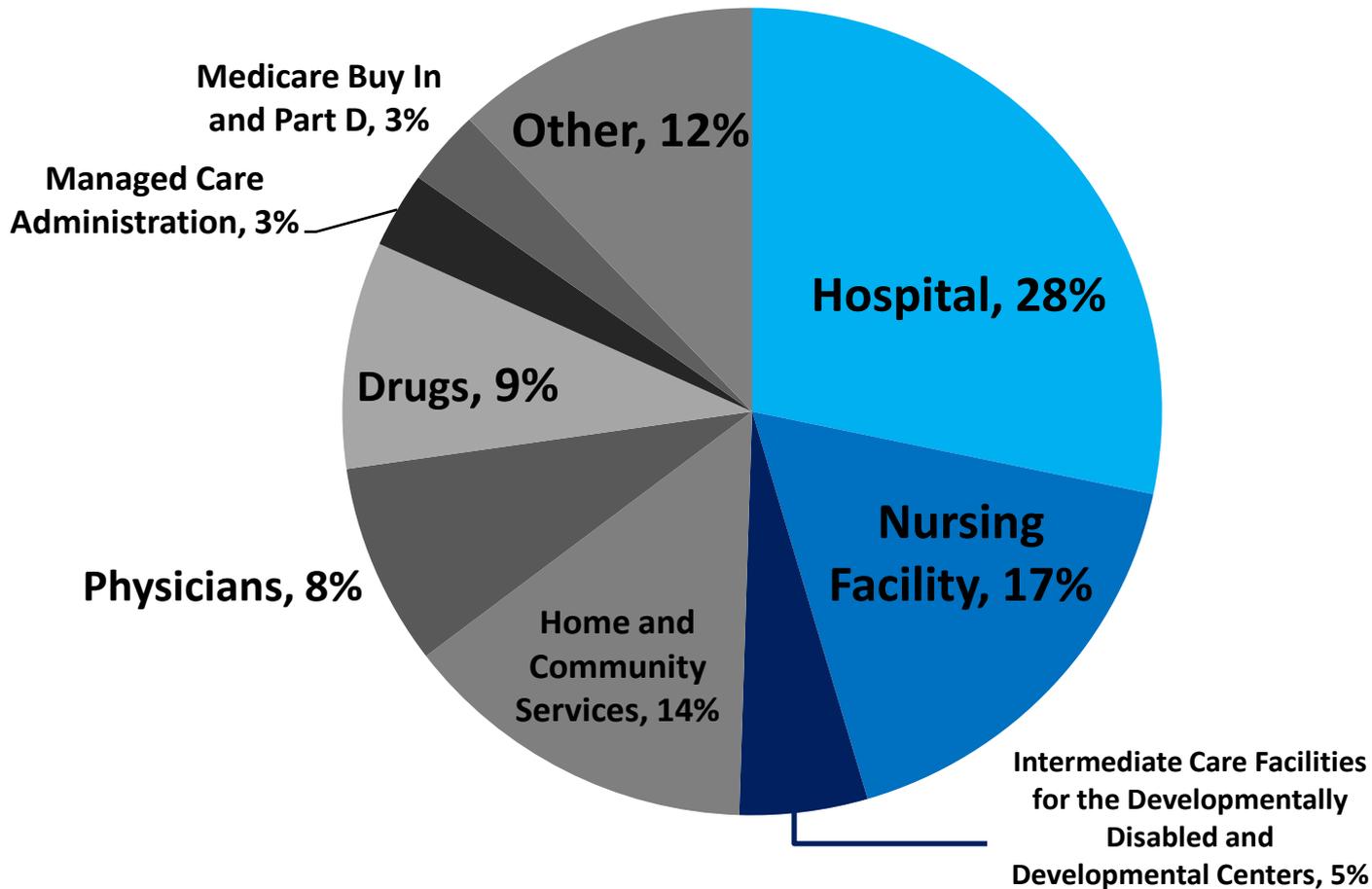
Medicaid Budget: Rebalance Total Medicaid Spending on Institutions vs. Home and Community Based Services



Medicaid Budget: Savings and Investments



Total Ohio Medicaid Expenditures, SFY 2010



Source: Ohio Department of Job and Family Services and the Governors Office of Health Transformation. Managed care expenditures are distributed to providers according to information from Milliman. Hospitals include inpatient and outpatient expenditures as well as HCAP Home and community services include waivers as well as home health and private duty nursing.

Balance the Budget

Contain Medicaid program costs in the short term and ensure financial stability over time

RESULTS:

- A sustainable system
- \$1.4 billion in net savings over the biennium
- Align priorities for consumers (better health outcomes) and taxpayers (better value)
- Challenge the system to improve performance (better care and cost savings through improvement)

What this budget does NOT do

- Does not cut eligibility
- Does not cut optional services, including dental
- Does not make arbitrary across-the-board cuts
- Does not resort to smoke and mirrors
- Does not count hypothetical savings

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





Governor's Office of
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Thank you.

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