Ohio | Governor's Office of Health Transformation

Health Care Transformation: Navigating the Road Ahead

Greg Moody, Director
Governor's Office of Health Transformation

Meaningful Use and Health Care Transformation Conference
May 20, 2011

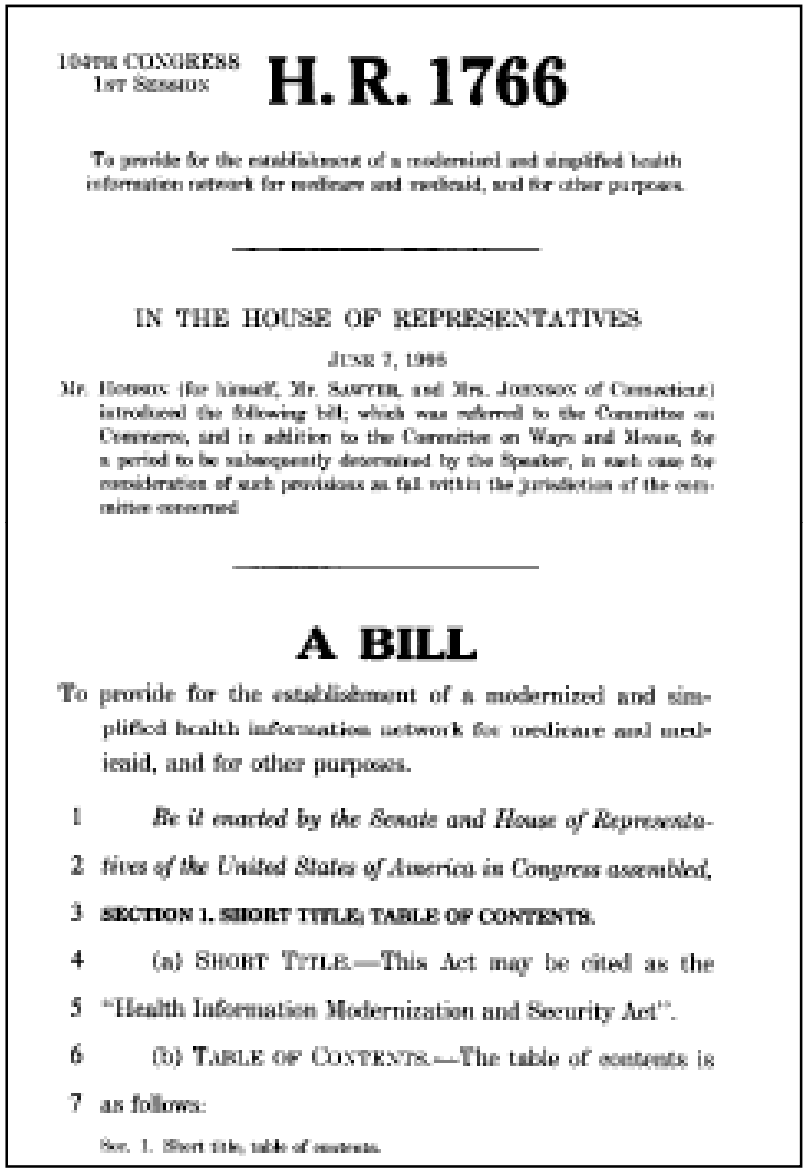
Meaningful Use Track: Technology and Connectivity to Improve Care

From Meaningful Use to Transformation - Navigating the Road Ahead

Inevitable Transformation

- Off-the-shelf applications
- Increase speed and accuracy of transactions
- Reduce paperwork
- Strengthen privacy/security
- Compare meaningful data
- Upgrade outdated proprietary
- Provide data consumers and purchasers need

—1994—



104TH CONGRESS
1ST SESSION

H. R. 1766

To provide for the establishment of a modernized and simplified health information network for medicare and medicaid, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 1995

Mr. HOBSON (for himself, Mr. SANTER, and Mrs. JOHNSON of Connecticut) introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

A BILL

To provide for the establishment of a modernized and simplified health information network for medicare and medicaid, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**
4 (a) SHORT TITLE.—This Act may be cited as the
5 "Health Information Modernization and Security Act".
6 (b) TABLE OF CONTENTS.—The table of contents is
7 as follows:

Sec. 1. Short title; table of contents.

Ohio | Governor's Office of Health Transformation

Building Toward Meaningful Use …

HIPAA: Health Information Portability and Accountability Act

- Privacy
- Security
- Administrative Simplification

HITECH: Health Information Technology for Economic and Clinical Health

- Health Information Exchange (HIE)
- HER adoption incentives
- Meaningful Use

ACA: Affordable Care Act

- Health Information Exchange (HIX)
- Administrative Simplification
- Eligibility modernization
- Accountable Care Organizations

Transformation Track: System Redesign and Quality Improvement

From Meaningful Use to Transformation - Navigating the Road Ahead

Ohio's Health System Performance

Health Outcomes – 42nd overall[1]

- 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 Coordination[1]

- 37th in preventing avoidable deaths before age 75
- 44th in avoiding Medicare hospital admissions for preventable conditions
- 40th in avoiding Medicare hospital readmissions

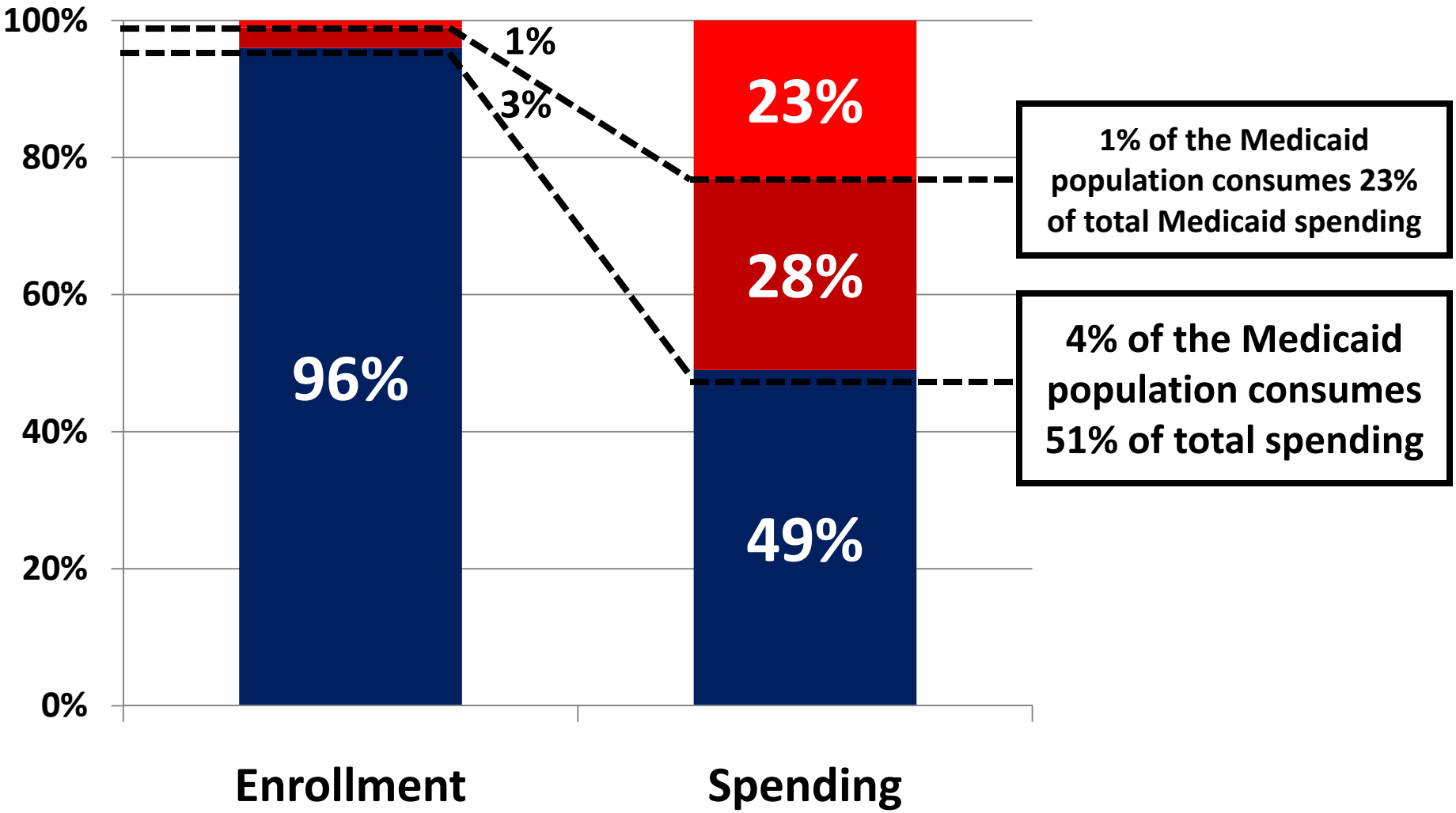
Affordability of Health Services[2]

- 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

Ohio | Governor's Office of Health Transformation

Sources: (1) Commonwealth Fund 2009 State Scorecard on Health System Performance, (2) Kaiser Family Foundation State Health Facts (updated March 2011)

A few high-cost cases account for most Medicaid spending



Ohio | Governor's Office of Health Transformation

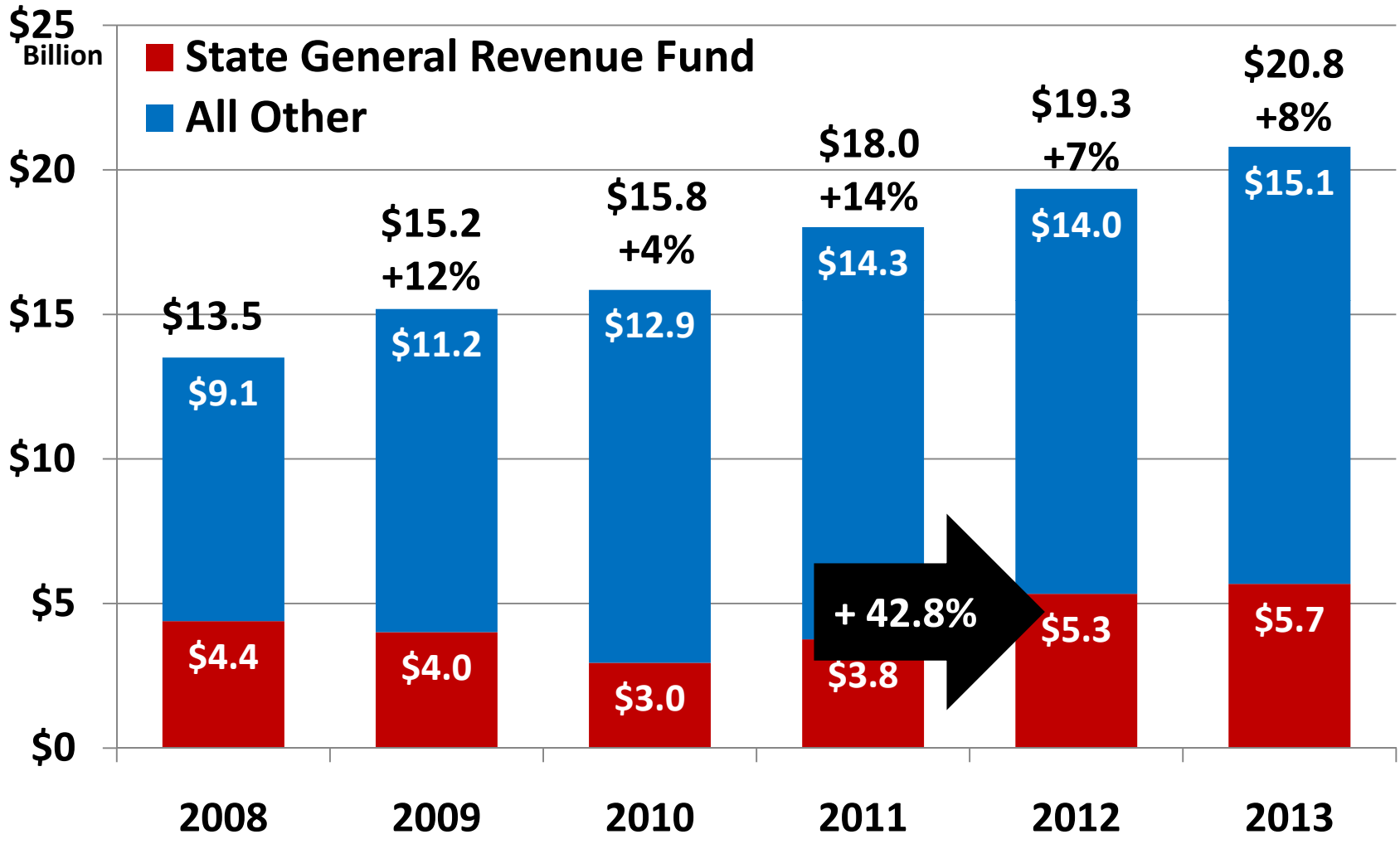
Source: Ohio Department of Job and Family Services; SFY 2010 for all Medicaid populations and all medical (not administrative) costs

Fragmentation	vs. Coordination
• Multiple separate providers	• Accountable medical home
• Provider-centered care	• Patient-centered care
• Reimbursement rewards volume	• Reimbursement rewards value
• Lack of comparison data	• Price and quality transparency
• Outdated information technology	• Electronic information exchange
• No accountability	• Performance measures
• Institutional bias	• Continuum of care
• Separate government systems	• Medicare/Medicaid/Exchanges
• Complicated categorical eligibility	• Streamlined income eligibility
• Rapid cost growth	• Sustainable growth over time

SOURCE: Adapted from Melanie Bella, *State Innovative Programs for Dual Eligibles*, NASMD (November 2009)

Ohio Medicaid Spending Trend

9 percent average annual growth, 2008-2011



Ohio | Governor's Office of Health Transformation

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)

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 REPORT

THE HOT SPOTTERS

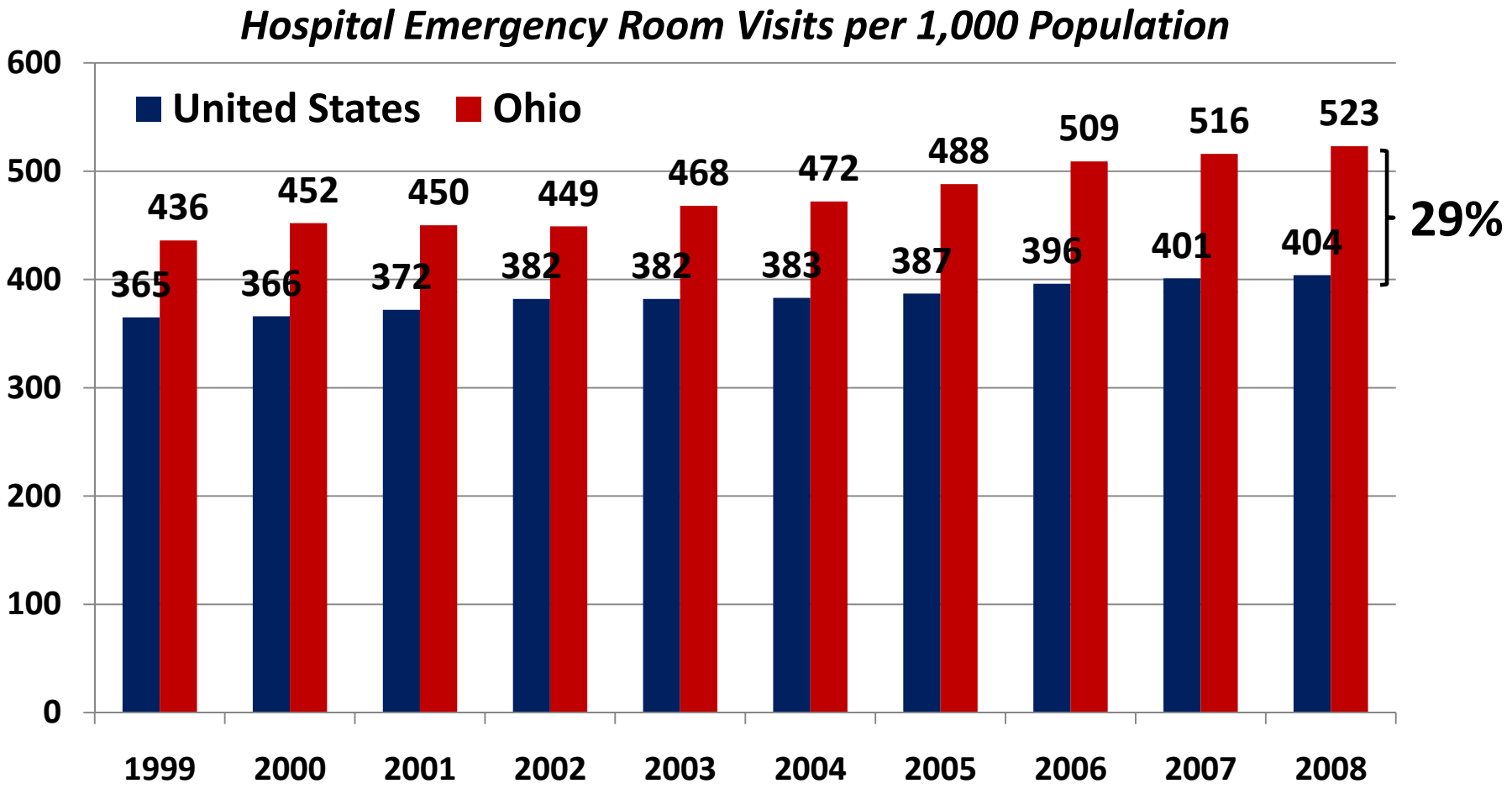
Can we lower medical costs by giving the neediest patients better care?

BY ATUL GAWANDE

"The critical flaw in our health care system … is that it was never designed for the kind of patients who incur the highest costs. Medicine's primary mechanism of service is the doctor visit and the emergency room visit. It's like arriving at a major construction project with nothing but a screwdriver and a crane."

Source: *The New Yorker* (Jan 24, 2011).

Medical Hot Spot:
Emergency Department Utilization: Ohio vs. US

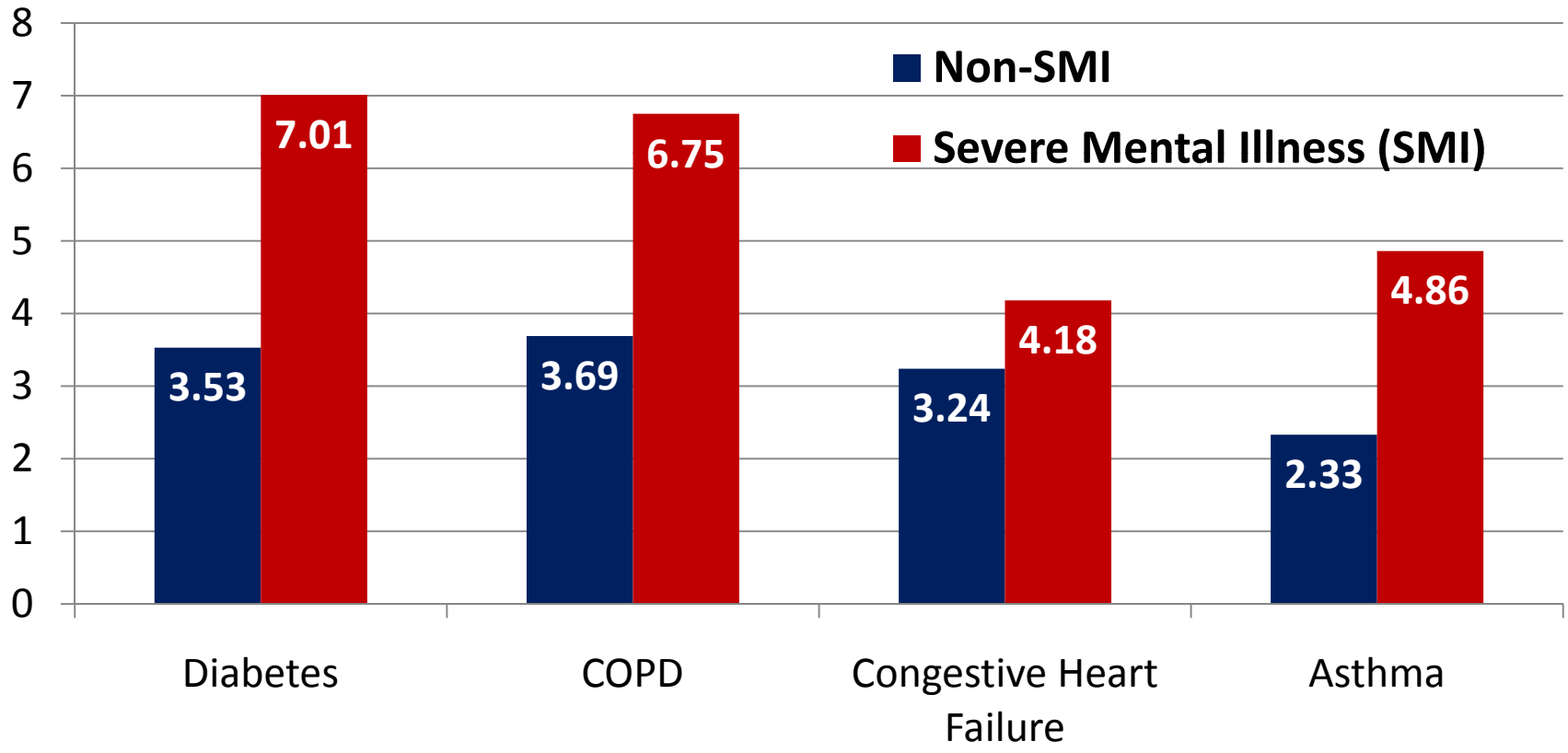


Ohio | Governor's Office of Health Transformation

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.

Medicaid Hot Spot:
Hospital Admissions for People with Severe Mental Illness

Avoidable hospitalizations per 1000 persons for ambulatory care sensitive conditions (avoidable with proper treatment)



Ohio | Governor's Office of Health Transformation

Source: Ohio Colleges of Medicine Government Resource Center and Health Management Associates, Ohio Medicaid Claims Analysis (February 2011)

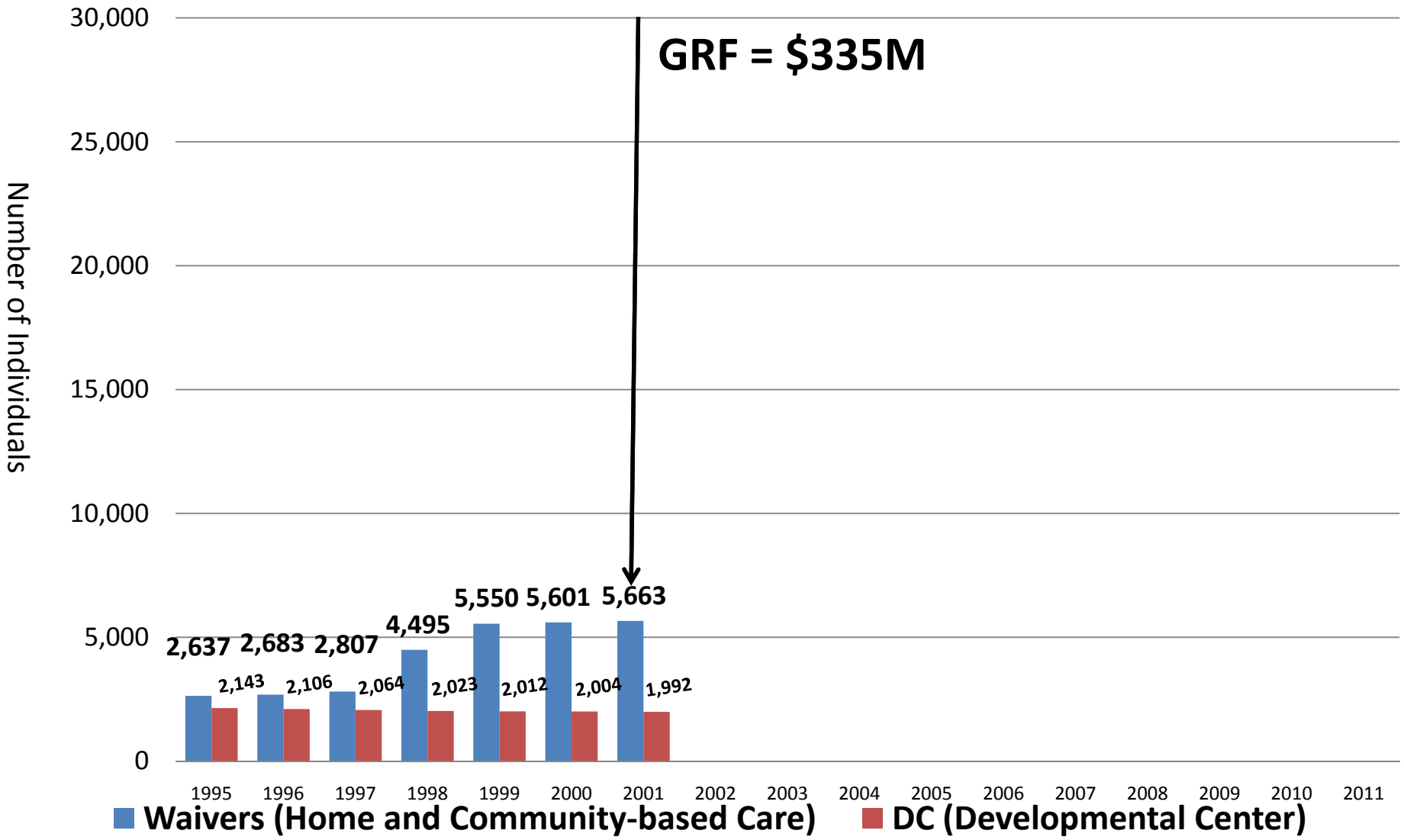
Medical Hot Spot:
Per Capita Health Spending: Ohio vs. US

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

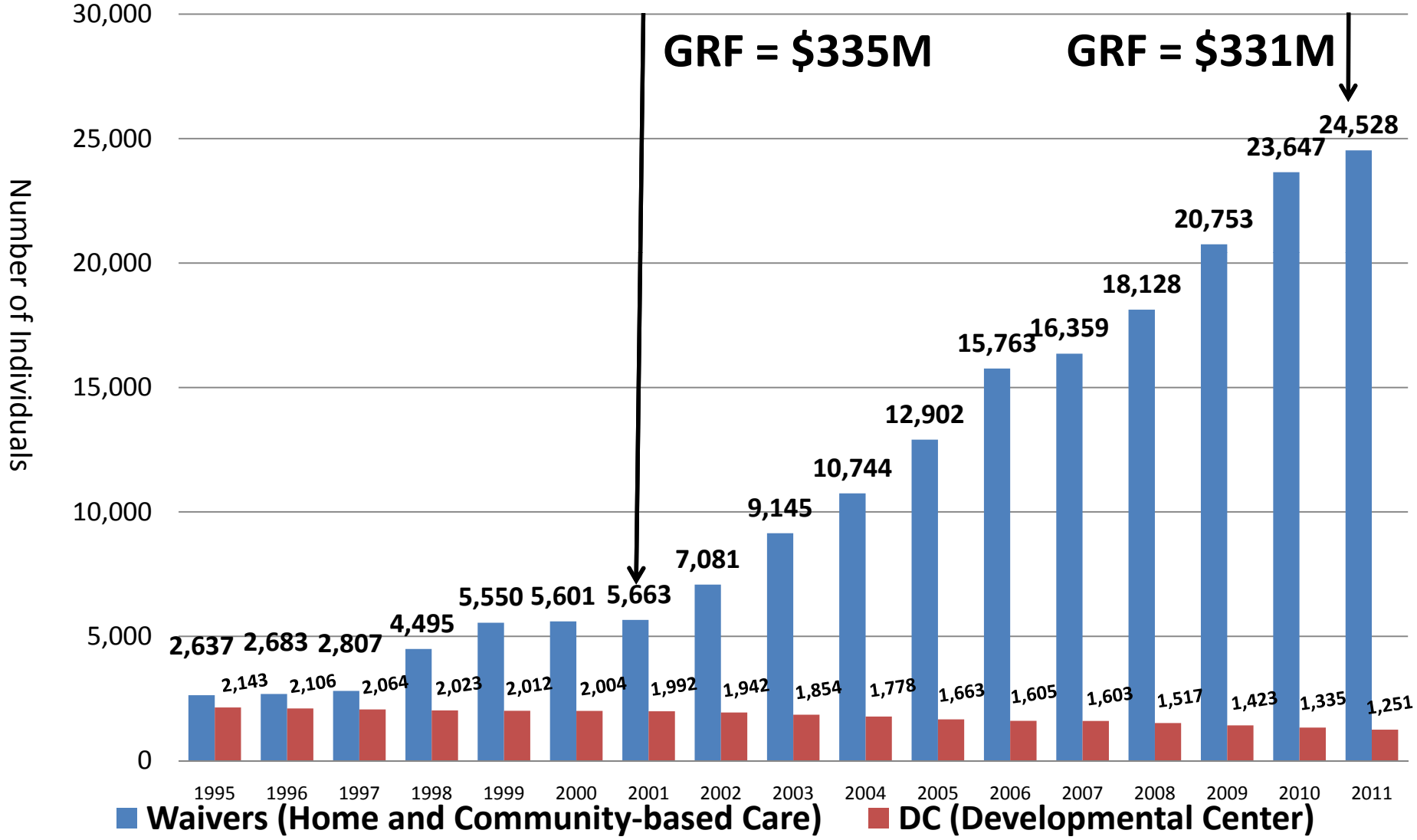
Ohio | Governor's Office of Health Transformation

Source: 2004 Health Expenditure Data, Health Expenditures by State of Residence, Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group, released September 2007; available at http://www.cms.hhs.gov/NationalHealthExpendData/downloads/res-us.pdf

A Case Study in Transformation:
Ohio Department of Developmental Disabilities



A Case Study in Transformation: Ohio Department of Developmental Disabilities



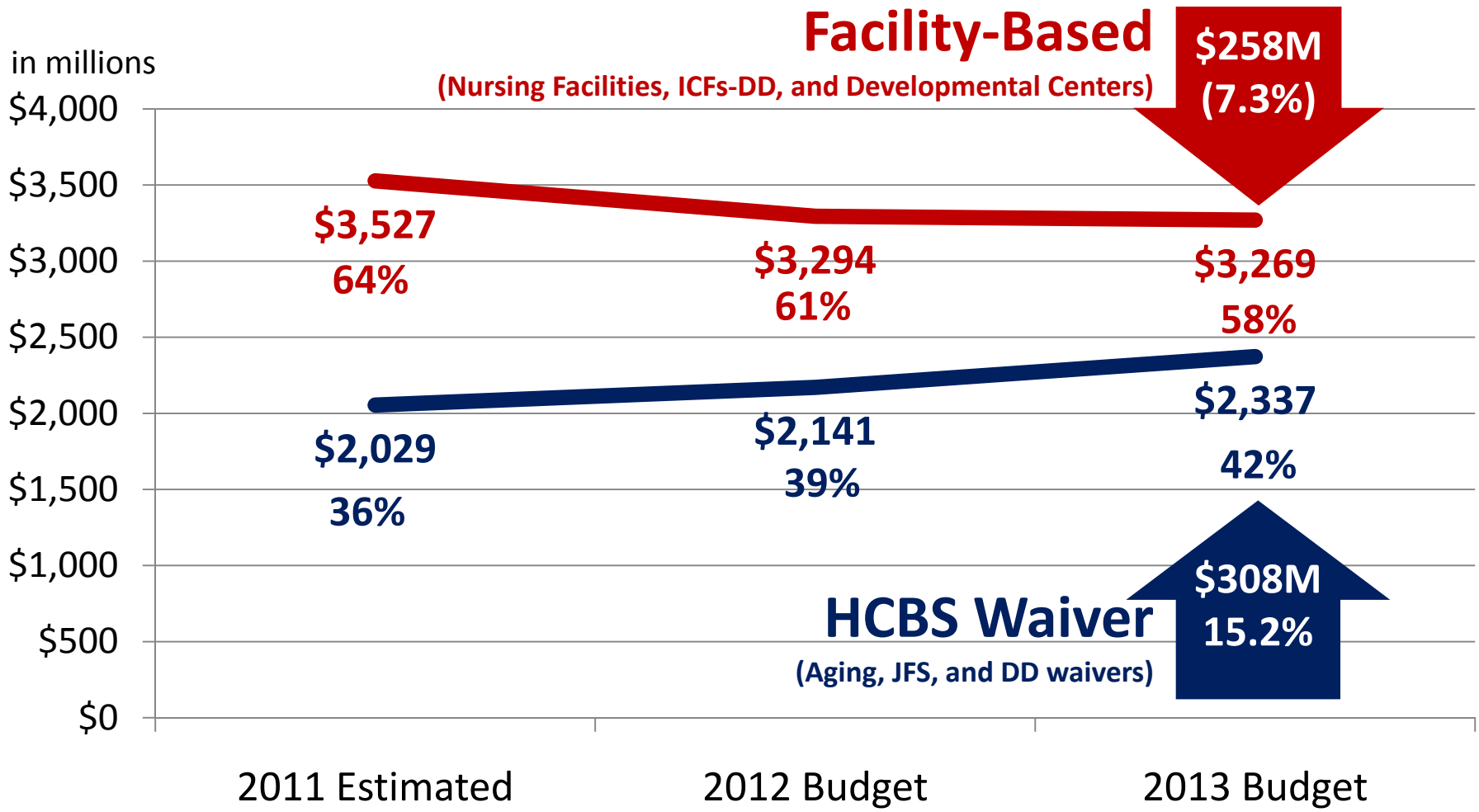
Reform Nursing Facility Payments

- Payment reform is needed to rebalance long-term care
- Ohio's Medicaid reimbursement per bed per day for nursing homes is $4.75 higher than the national average[1]
- Ohio has more nursing homes than all but 2 states.[2]
- Ohioans are more likely to live near a nursing home than a public high school[3]
- 15% of Ohio nursing home beds are empty on average
- Medicaid reforms in FY 2007 began the process of addressing these issues by transitioning to a price-based payment system

Sources:
1. Ohio Health Care Association.
2. http://www.statehealthfacts.org/comparemaptable.jsp?ind=411&cat=8
3. There are 962 nursing homes and 897 public high schools in Ohio

Medicaid Budget:

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



Ohio | Governor's Office of Health Transformation

Source: Ohio Department of Job and Family Services; based on average monthly recipients for SFYs 2006-2010.

Dayton Daily News

Wednesday, March 9, 2011

Medicaid is 30% of state budget and growing

THE BLADE

Wednesday, February 9, 2011

Editorial - Medicaid realism

AKRON BEACON JOURNAL

Sunday, April 3, 2011

Editorial - Ambitious for Medicaid

John Kasich wants to save money. He also has a plan to improve quality and outcomes

The Columbus Dispatch

Sunday, May 1, 2011

Editorial: Serve the seniors

Lawmakers should reduce funding to nursing homes, boost in-home services

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

Ohio Health System Performance Priorities

Medicaid Modernization

- Coordinate care for high-cost beneficiaries
- Integrate physical and behavioral health services
- Rebalance Long-Term Care
- Modernize Reimbursement
- Streamline governance and administration

State Leadership

Ohio Health System Performance Priorities

Medicaid Modernization	Sustainable Coverage
• Coordinate care for high-cost beneficiaries • Integrate physical and behavioral health services • Rebalance Long-Term Care • Modernize Reimbursement • Streamline governance and administration	• Create a Health Benefit Exchange • Implement insurance market reforms • Pilot delivery system reforms • Support regional health system improvement
State Leadership	**Federal Requirements**

Ohio Health System Performance Priorities

Payment Reform	Price and Quality Transparency	Medicaid Modernization	Sustainable Coverage
• Leverage public/private purchasing power • Focus on high-value delivery system reforms • Align State purchasing priorities	• Measure and report health care quality and prices • Compare health plan and provider performance • Accelerate the meaningful use of HIT/HIE	• Coordinate care for high-cost beneficiaries • Integrate physical and behavioral health services • Rebalance Long-Term Care • Modernize Reimbursement • Streamline governance and administration	• Create a Health Benefit Exchange • Implement insurance market reforms • Pilot delivery system reforms • Support regional health system improvement
Employer Leadership	**Provider Leadership**	**State Leadership**	**Federal Requirements**

Ohio | Governor's Office of Health Transformation

Ohio | Governor's Office of Health Transformation

Thank you.

Greg Moody, Director
Governor's Office of Health Transformation

www.healthtransformation.ohio.gov