



Beyond the budget: protecting and improving the health of all Ohioans

Greg Moody, Director
Governor's Office of Health Transformation

Association of Ohio Health Commissioners
September 20, 2011

Governor's Office of Health Transformation

- 1. Advance the Administration's Medicaid modernization and cost-containment priorities in the operating budget;**
2. Recommend a permanent HHS organizational structure and oversee transition to that permanent structure; and
3. Engage private sector partners to set clear expectations for overall health system performance, including insurance market exchange planning



Medicaid is Ohio's Largest Health Payer

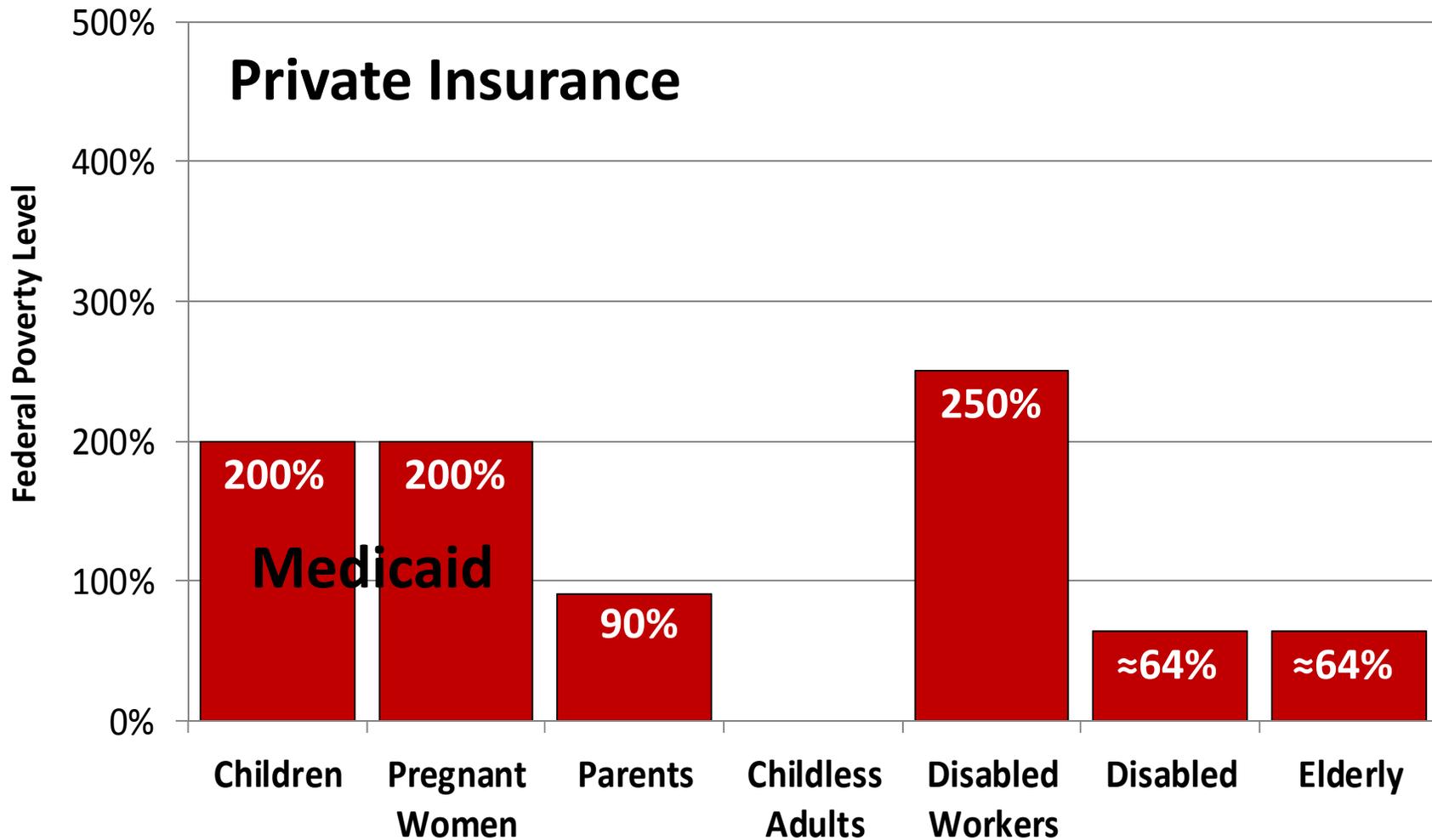
- Provides health coverage for low-income children, parents, seniors, and people with disabilities
- Covers 2.2 million Ohioans (1 in 5) including 2 in 5 births¹
- Spends \$18 billion annually all agencies, all funds (SFY 2011)¹
- Accounts for 4.0% of Ohio's total economy and is growing²
- Funds are federal (63.69%) and state (36.31%)³



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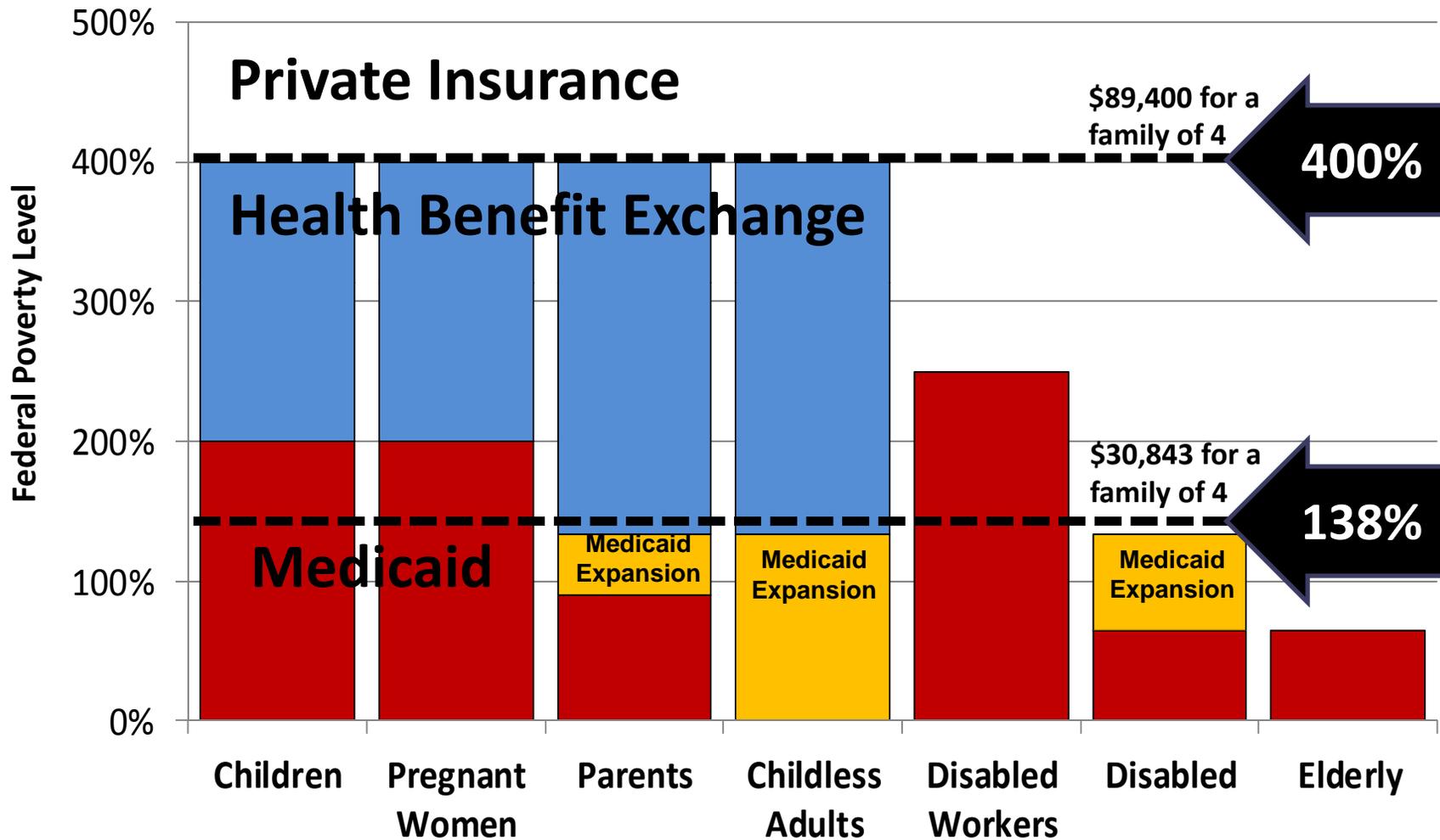
SOURCES: (1) Ohio Department of Job and Family Services, (2) SFY 2011 estimate based on \$18.0 billion in Medicaid spending per ODJFS and \$498 billion Ohio gross domestic product per the State of Ohio Office of Budget and Management, and (3) Federal Register Vol. 76 No. 22 page 5811.

Federal Reform: Current Medicaid Income Eligibility Levels



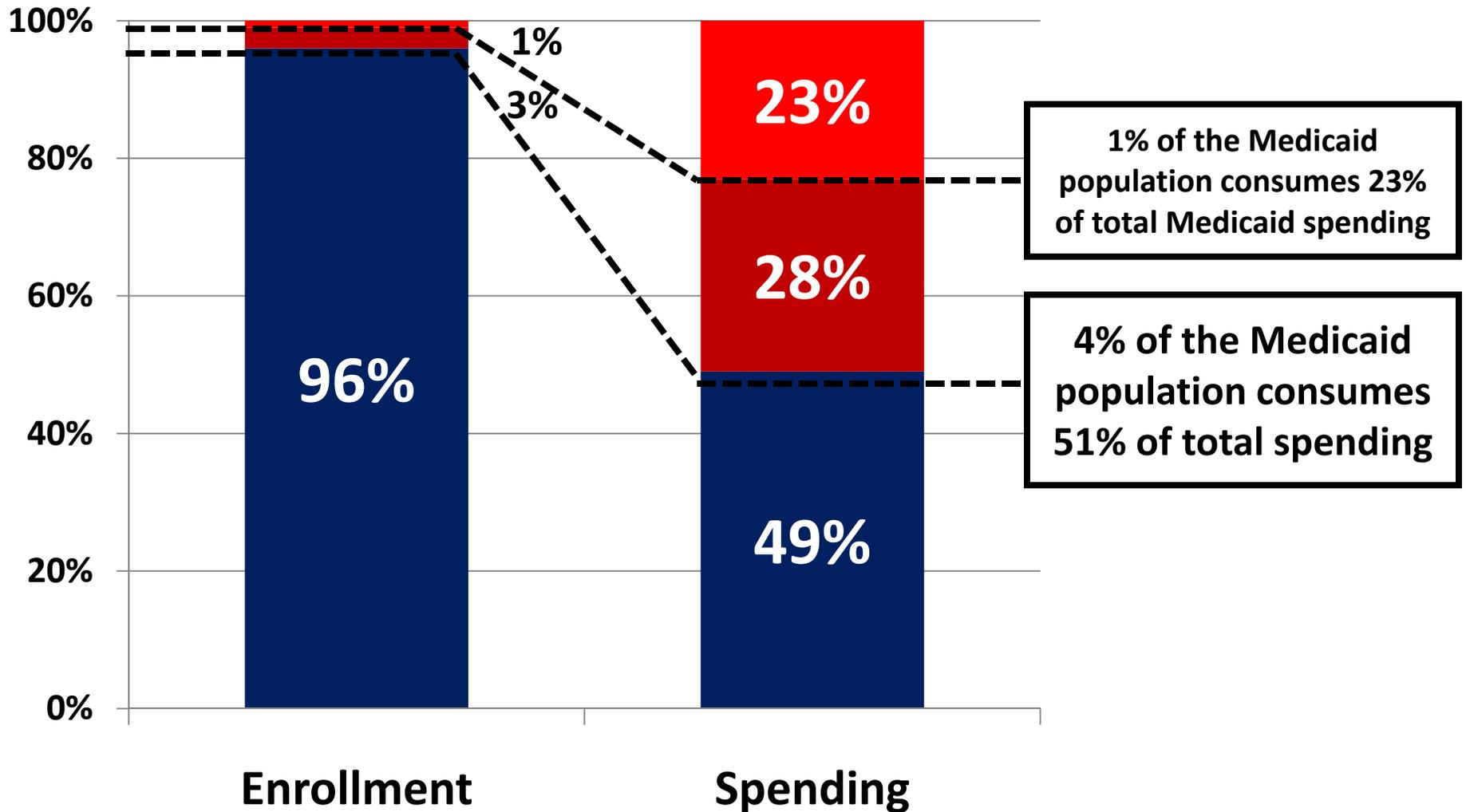
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Federal Reform: 2014 Health Coverage Expansions



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A few high-cost cases account for most Medicaid spending



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

Fragmentation

vs.

Coordination

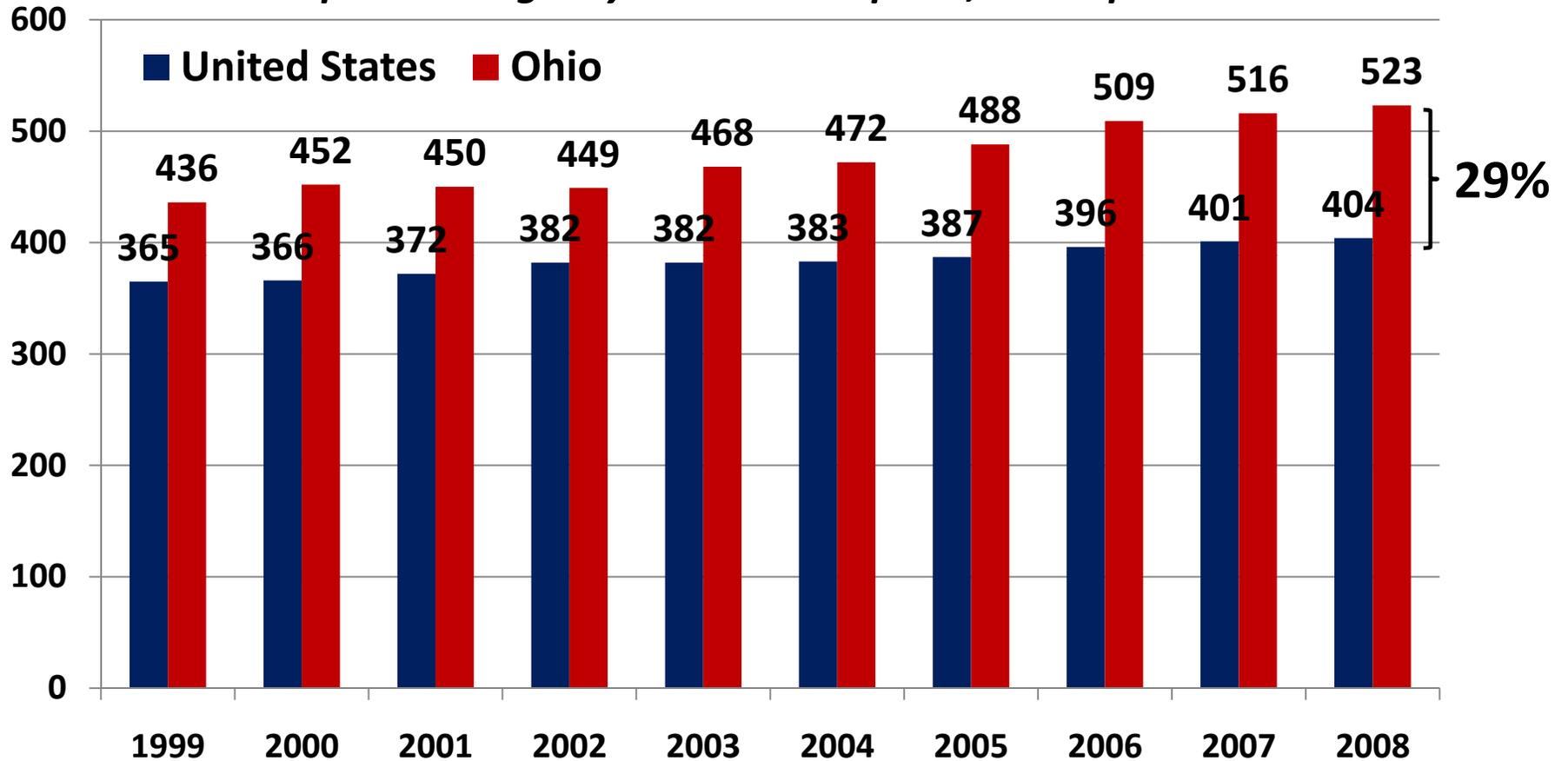
- Multiple separate providers
- Provider-centered care
- Reimbursement rewards volume
- Lack of comparison data
- Outdated information technology
- No accountability
- Institutional bias
- Separate government systems
- Complicated categorical eligibility
- Rapid cost growth

- 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



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

Hospital Emergency Room Visits per 1,000 Population



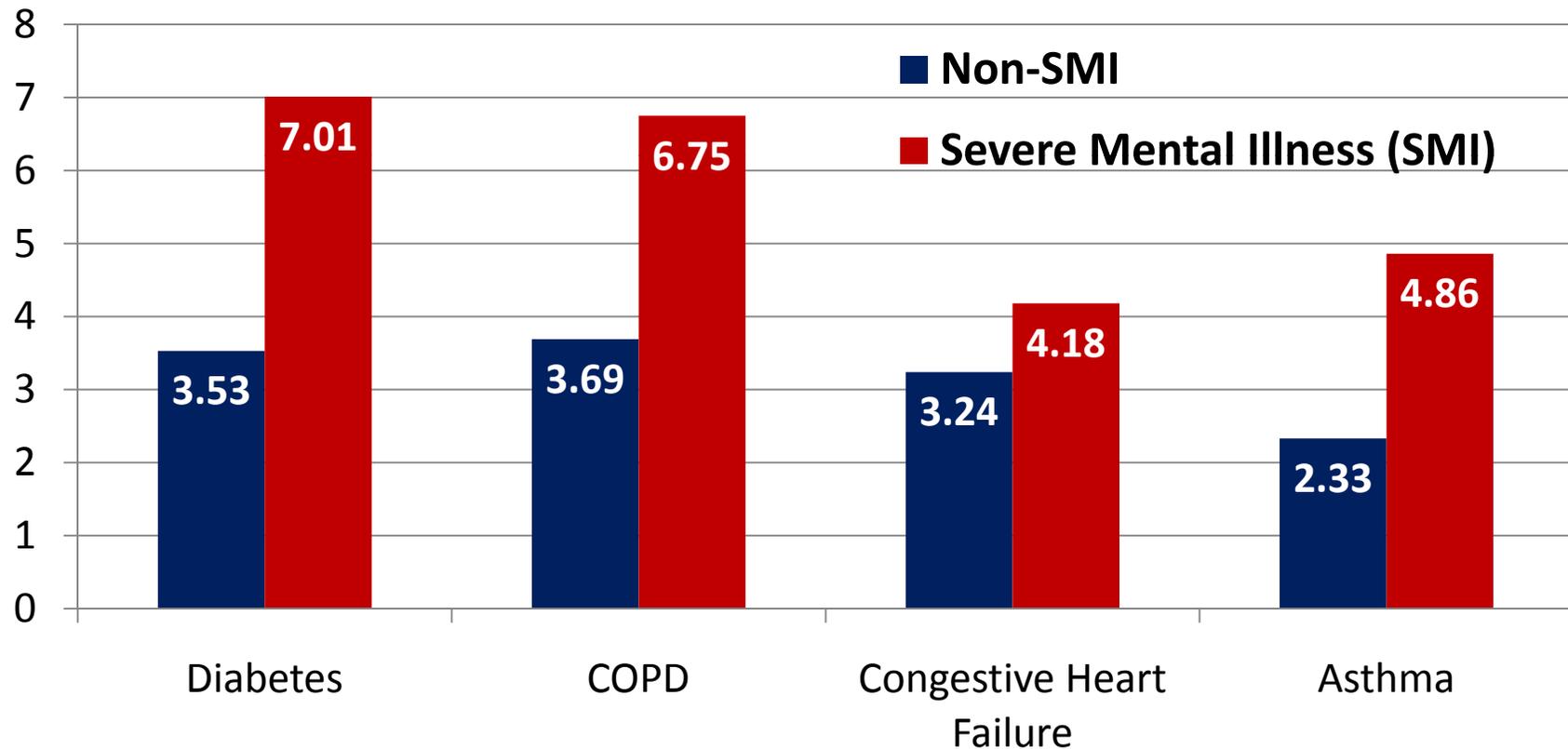
Source: American Hospital Association Annual Survey (March 2010) and population data from Annual Population Estimates, US Census Bureau: <http://www.census.gov/popest/states/NST-ann-est.html>.



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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)



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

The Vision for Better Care Coordination

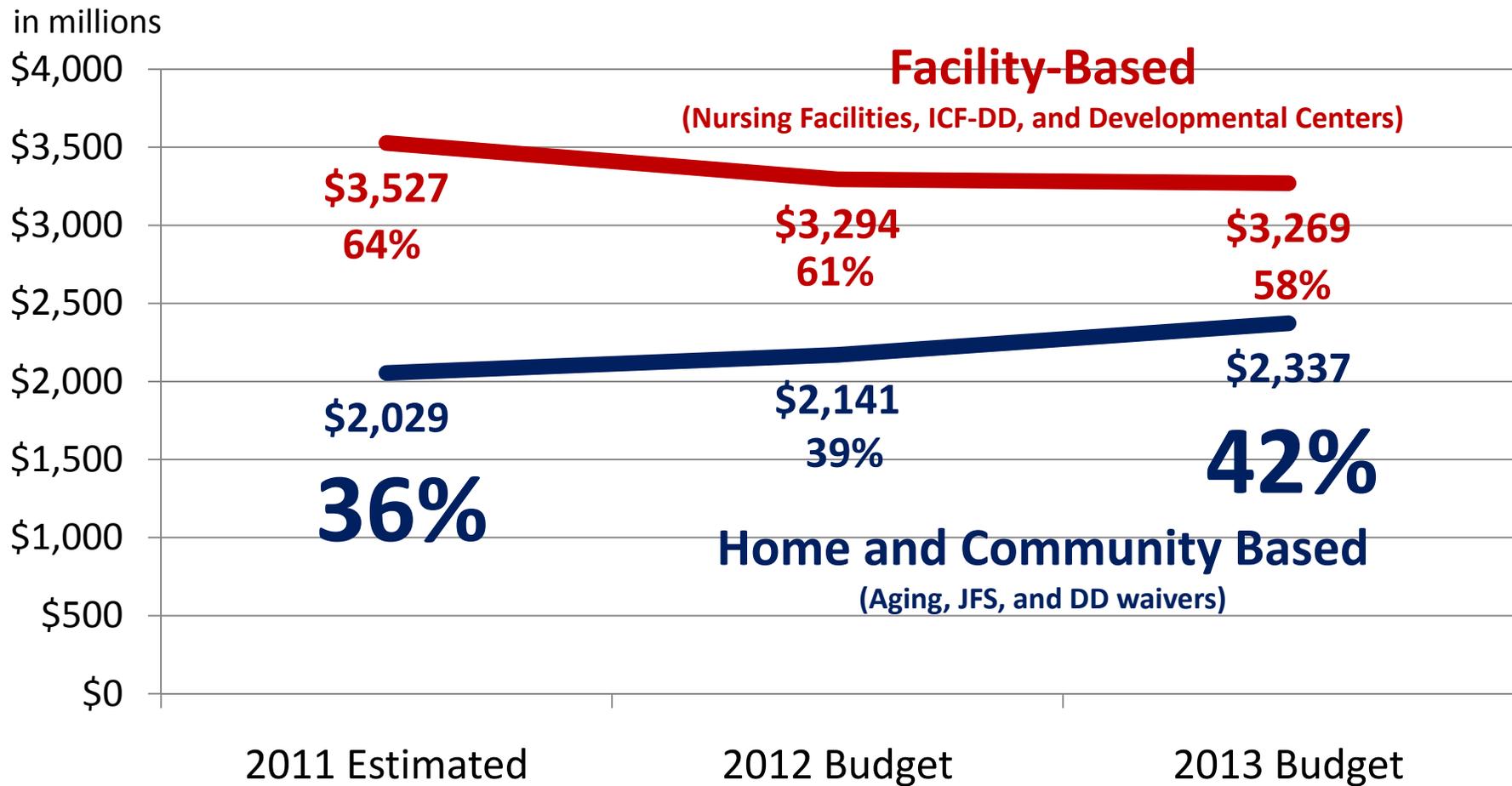
- The vision is to create a person-centered care management approach – not a provider, program, or payer approach
- Services are integrated for all physical, behavioral, long-term care, and social needs
- Services are provided in the setting of choice
- Easy to navigate for consumers and providers
- Transition seamlessly among settings as needs change
- Link payment to person-centered performance outcomes

Medicaid Transformation Priorities

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

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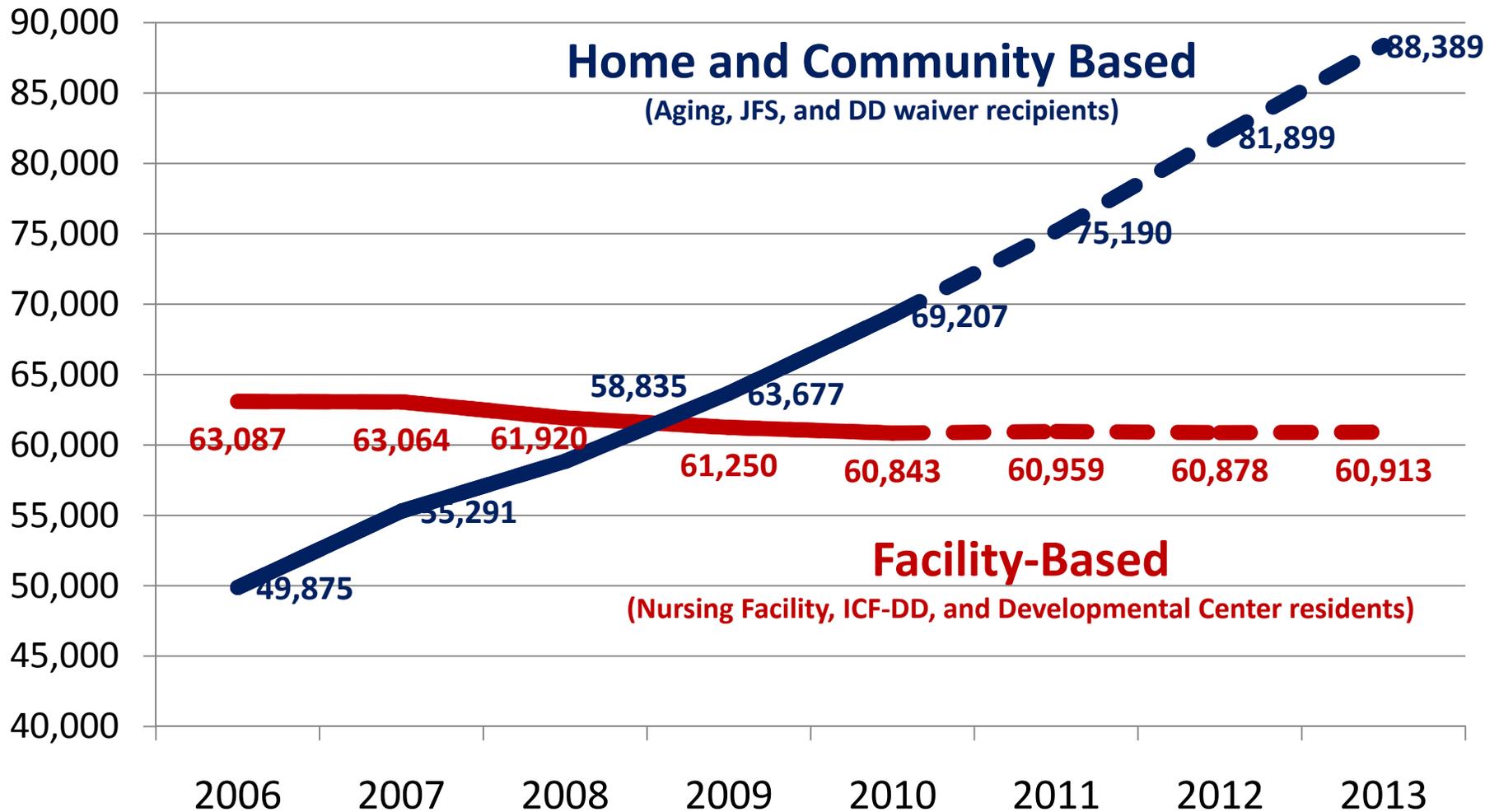
Medicaid Budget: Rebalance Medicaid Spending on Institutions vs. Home and Community Based Services



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

Medicaid Budget: Ohio Medicaid Residents of Institutions Compared to Recipients of Home and Community Based Services



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

THE BLADE

Wednesday, February 9, 2011

Editorial - Medicaid realism

Dayton Daily News

Wednesday, March 9, 2011

Medicaid is 30% of state budget and growing

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



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Ohio HHS policy, spending and administration is split across multiple state and local jurisdictions

This inefficient structure impedes innovation and lacks a clear point of accountability

We need to share services to increase efficiency and right-size state and local service capacity

Ohio HHS Transformation Priorities

- Consolidate funding and control of Medicaid programs to be more efficient (HB 153)
- Consolidate HHS operations, including eligibility determination, enterprise decision support, and claims payment (planning now)
- Align cross-cutting initiatives, including housing, workforce, and early childhood
- Recommend and transition to a permanent HHS governance structure (Summer 2012)

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Ohioans spend more per person on health care than residents in all but 13 states¹

Rising health care costs are eroding paychecks and profitability

Higher spending is not resulting in higher quality or better outcomes for Ohio citizens

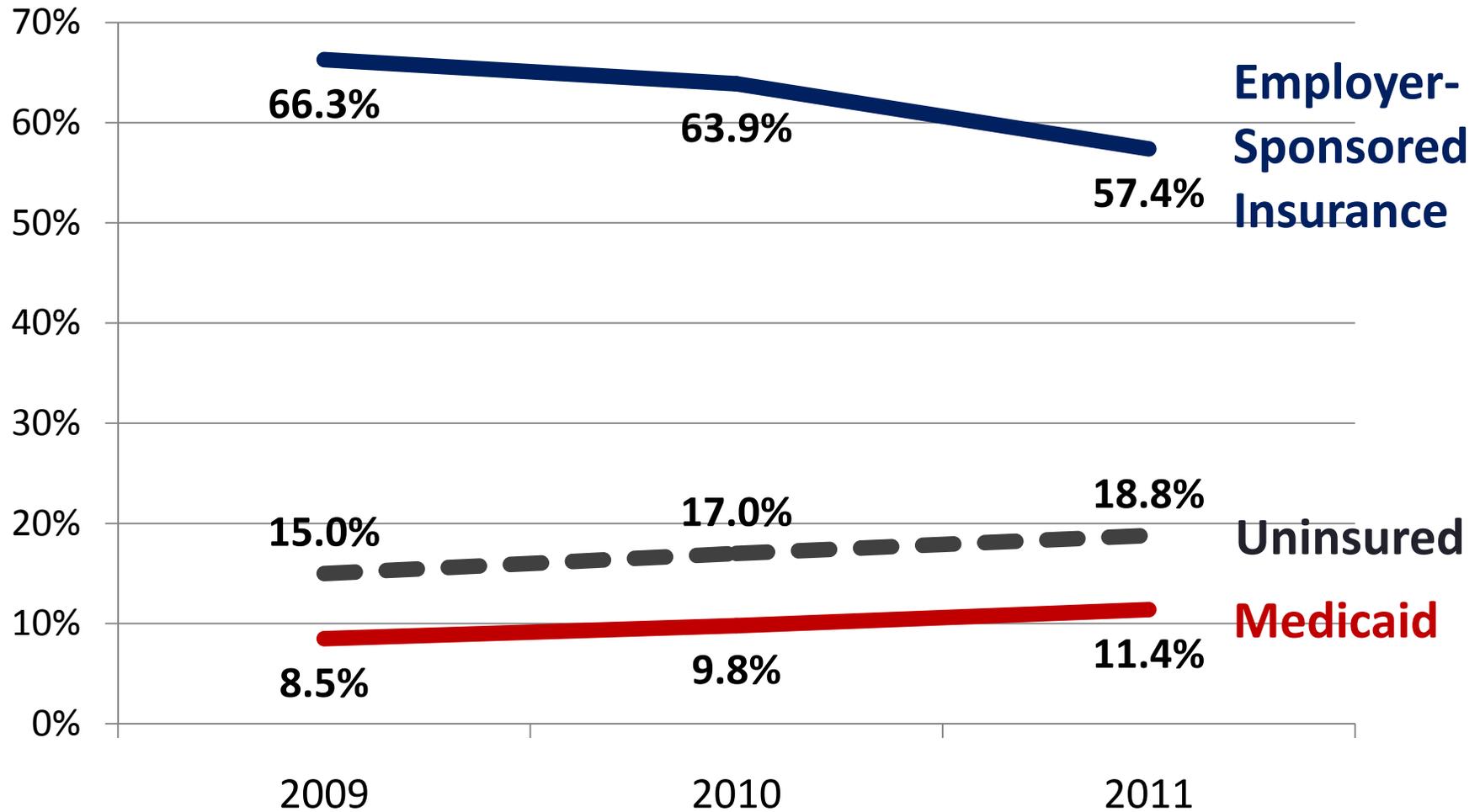
41 states have a healthier workforce than Ohio²



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

Ohioans Covered by Employer-Sponsored Health Insurance, Medicaid, or Uninsured



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Source: Ohio Colleges of Medicine Government Resource Center, "Quantifying the Impact of the Recent Recession on Ohioans: preliminary findings from the 2010 Ohio Family Health Survey" (February 16, 2011)

Improve Overall System Performance

- Leverage Medicaid purchasing power to support delivery system reform (HB 153)
- Align public/private infrastructure, including health insurance exchange and electronic health information exchange (planning now)
- Leverage public/private purchasing power to pay for value not volume, including patient centered medical homes and other innovations

Ohio

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Thank you.

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