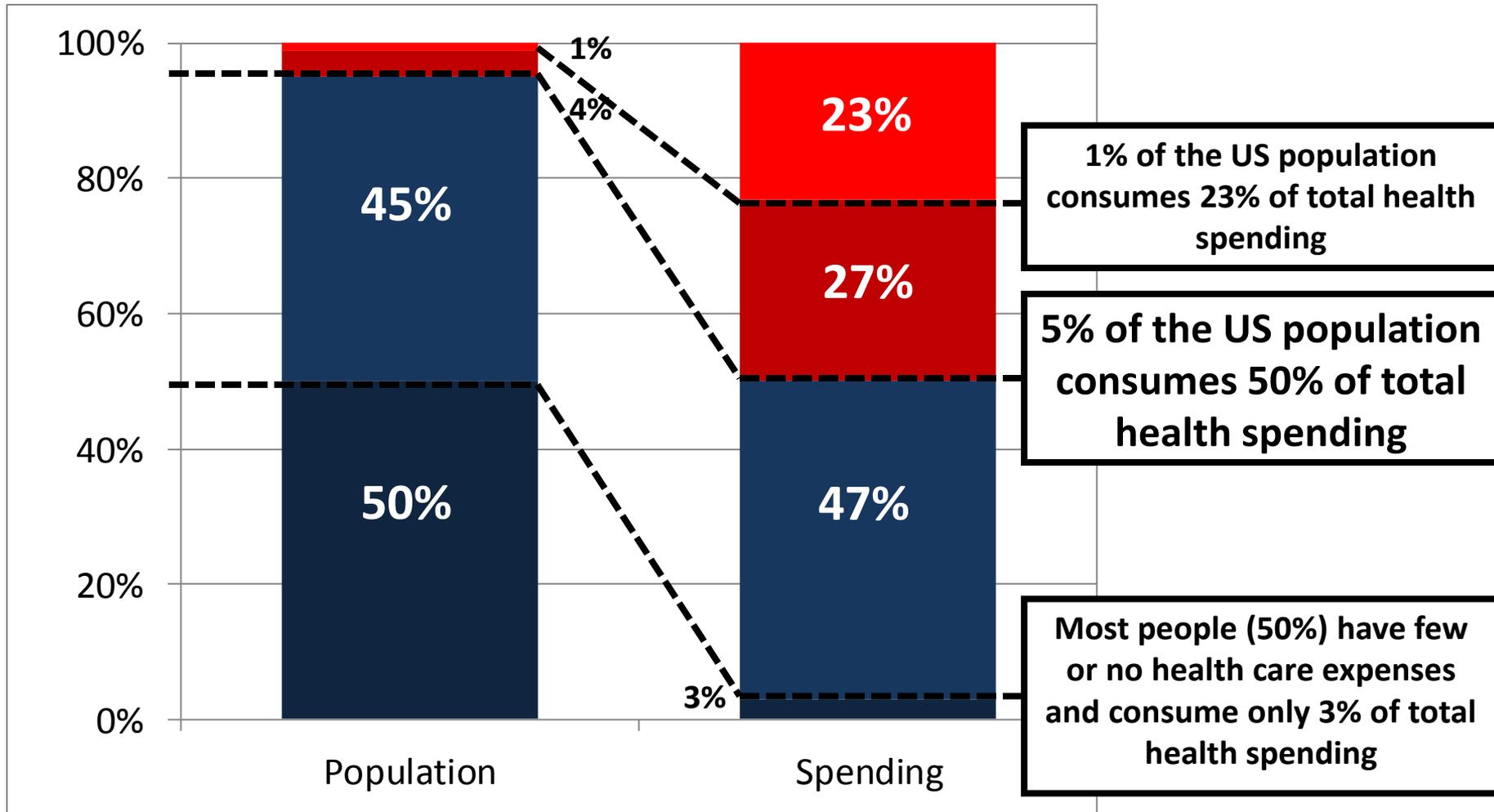# Ohio Health Transformation

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Governor's Office of Health Transformation

Cuyahoga Community College / Better Health Greater Cleveland
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www.HealthTransformation.Ohio.gov

Health Care Spending per Capita by State (2011) in order of resident health outcomes (2009)

Ohioans spend more per person on health care than residents in all but 17 states

← **36 states have a healthier workforce than Ohio**

X-axis states (left to right): MN HI CT UT CA MA IA VT WI ND CO ID WA NH NE WY NY OR NJ RI AZ TX ME MD MT FL AK VA NM SD KS IL PA DE MI IN GA NV NC MO OH SC OK KY LA AL AR TN WV MS

Y-axis: $0 – $10,000

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A few high-cost cases account for most health spending

1% of the US population consumes 23% of total health spending

5% of the US population consumes 50% of total health spending

Most people (50%) have few or no health care expenses and consume only 3% of total health spending

Health Care System Choices

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• Outdated information technology		• Electronic information exchange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

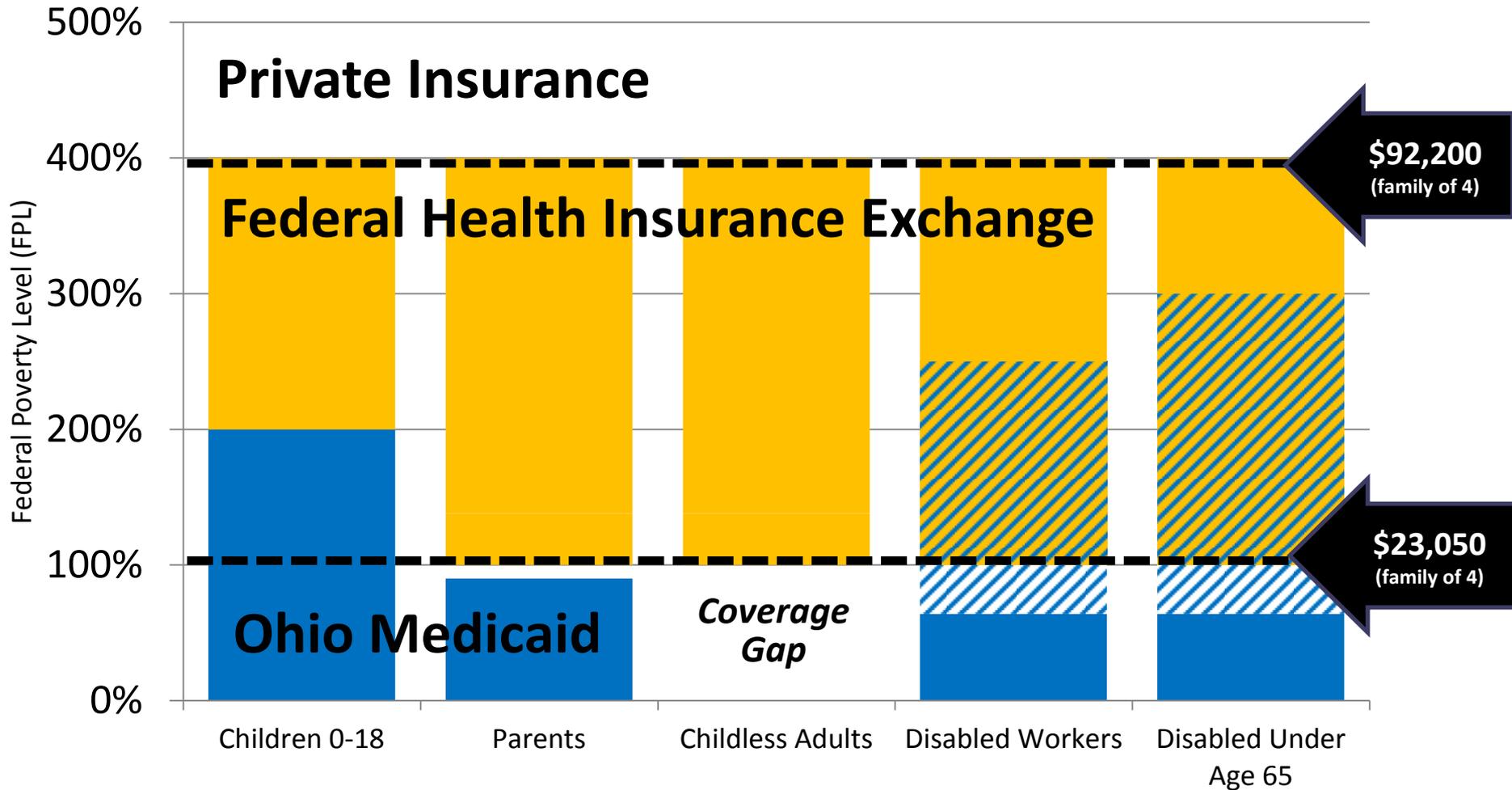Ohio | **Governor's Office of Health Transformation**

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

- Rely on community partnerships

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Ohio Health Transformation Plan

Modernize Medicaid	Streamline Health and Human Services	Pay for Value
Initiate in 2011	*Initiate in 2012*	*Initiate in 2013*
Medicaid Cabinet: OHT (sponsor); AGE, ODH, ADA, MH, DD, Medicaid; with connections to JFS	**HHS Cabinet:** DAS, OBM, OHT (sponsors); JFS, RSC, AGE, ADA, MH, DD, ODH, Medicaid; with connections to ODE, DRC, DYS, DVS, ODI, TAX	**Payment Innovation Task Force:** OHT (sponsor); Medicaid, BWC, DAS, DEV, DRC, JobsOhio, OPERS, ODI, TAX
• Eliminate fraud and abuse • Prioritize home and community services • Reform nursing facility payment • Enhance community DD services • Integrate Medicare and Medicaid benefits • Rebuild community behavioral health system capacity • Create health homes for people with mental illness • Restructure behavioral health system financing • Improve Medicaid managed care plan performance • Extend Medicaid coverage to more low-income Ohioans	• Create the Office of Health Transformation (2011) • Implement a new Medicaid claims payment system (2011) • Create a unified Medicaid budget, accounting system • Create a cabinet-level Medicaid Department (July 2013) • Consolidate mental health and addiction services (July 2013) • Share services across local jurisdictions • Simplify and replace Ohio's 34-year-old eligibility system • Recommend a permanent HHS structure (coming soon)	• Participate in Catalyst for Payment Reform • Support regional payment innovation • Provide access to medical homes for most Ohioans • Use episode-based payments for acute medical events • Coordinate health sector workforce and training programs • Coordinate health information technology infrastructure • Report and measure health system performance

Ohio Medicaid and Insurance Exchange Eligibility in 2014

Federal Poverty Level (FPL)

- 500%
- 400%
- 300%
- 200%
- 100%
- 0%

Private Insurance

Federal Health Insurance Exchange

Ohio Medicaid

Coverage Gap

$92,200
(family of 4)

$23,050
(family of 4)

Children 0-18 | Parents | Childless Adults | Disabled Workers | Disabled Under Age 65

Who is Stranded in the Coverage Gap?

- Ohioans with income less than 100% of poverty ($11,170 for an individual or $23,050 for a family of four)
- Many work but their employer does not offer or they cannot afford health insurance
- Many work as health care providers for others but don't themselves have coverage
- Many are over age 55 looking for work but finding it difficult
- At least 26,000 are veterans
- Some are unable to work because of mental illness or addiction but have no regular source of care to recover
- ***When these uninsured individuals seek care, often in the emergency room, other Ohioans pay the cost through higher premiums and other indigent care programs***

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How can the State of Ohio leverage its purchasing power to improve overall health system performance?

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Governor's Council on Payment Innovation

- Convene health care purchasers, providers, plans and consumer advocates to prioritize and coordinate multi-payer health care payment innovation activities statewide

- Received a federal State Innovation Model (SIM) grant to design and test payment models across multiple payers
  - Provide access to medical homes for most Ohioans
  - Use episode-based payments for acute medical events

- Prioritize state activities that enable payment innovation:
  - Coordinate health sector workforce and training programs
  - Coordinate HIT/HIE infrastructure
  - Report and measure health system performance

- Support regional payment innovation

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| CURRENT INITIATIVES | BUDGETS | NEWSROOM | CONTACT | VIDEO |

Current Initiatives

Modernize Medicaid
Extend Medicaid coverage to more low-income Ohioans
Reform nursing facility reimbursement
Integrate Medicare and Medicaid benefits
Prioritize home and community based services
Create health homes for people with mental illness
Rebuild community behavioral health system capacity
Enhance community developmental disabilities services
Improve Medicaid managed care plan performance

Streamline Health and Human Services
Consolidate mental health and addiction services
Create a cabinet-level Medicaid department
Modernize eligibility determination systems
Coordinate health sector workforce programs
Coordinate programs for children
Share services across local jurisdictions

Improve Overall Health System Performance
Pay for health care based on value instead of volume
Encourage Patient-Centered Medical Homes
Accelerate electronic Health Information Exchange
Federal Health Insurance Exchange