



Governor's Office of
Health Transformation

Health Transformation in Ohio

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Association of Ohio Health Commissioners
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www.HealthTransformation.Ohio.gov

2011 Ohio Crisis

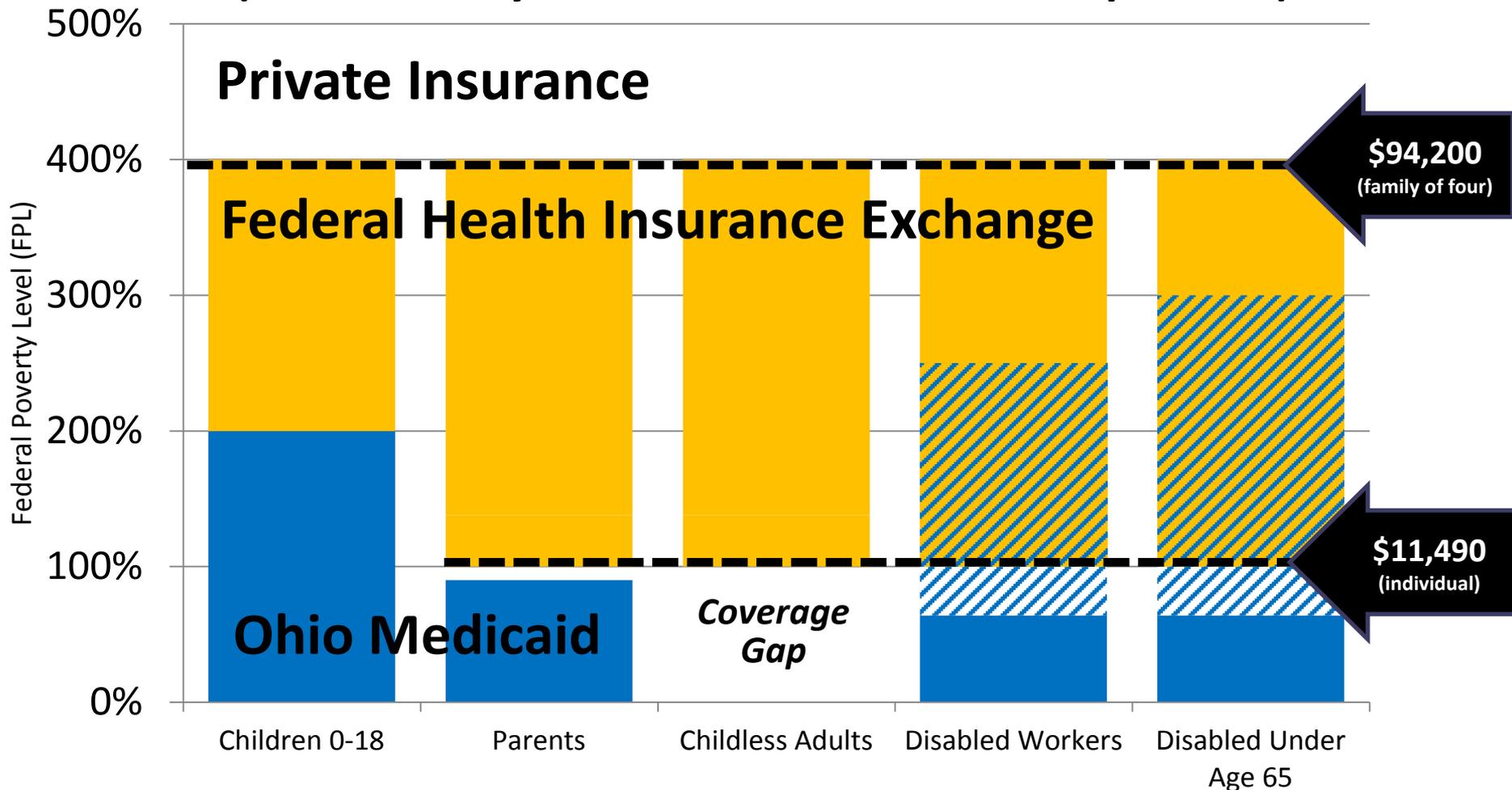
vs.

Results Today

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| <ul style="list-style-type: none">• \$8 billion state budget shortfall• 89-cents in the rainy day fund• Nearly dead last (48th) in job creation (2007-2009)• Medicaid spending increased 9% annually (2009-2011)• Medicaid over-spending required multiple budget corrections• Ohio Medicaid stuck in the past and in need of reform• More than 1.5 million uninsured Ohioans (75% of them working) | <ul style="list-style-type: none">• Balanced budget• \$1.5 billion in the rainy day fund• Ranked 5th in the nation in job creation (2011-2013)• Medicaid spending increased 3% annually (2012-2013)• Medicaid under-spending topped \$950 million (2012-2013)• Ohio Medicaid looks to the future and embraces transformation• Extended Medicaid coverage |
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Ohio Medicaid and Insurance Exchange Eligibility

(as of January 2014 without Medicaid expansion)



Modernize Medicaid	Streamline Health and Human Services	Pay for Value
<i>Initiate in 2011</i>	<i>Initiate in 2012</i>	<i>Initiate in 2013</i>
<i>Advance the Governor Kasich's Medicaid modernization and cost containment priorities</i>	<i>Share services to increase efficiency, right-size state and local service capacity, and streamline governance</i>	<i>Engage private sector partners to set clear expectations for better health, better care and cost savings through improvement</i>
<ul style="list-style-type: none"> • Extend Medicaid coverage to more low-income Ohioans • 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 	<ul style="list-style-type: none"> • Create the Office of Health Transformation (2011) • Implement a new Medicaid claims payment system (2011) • Create a unified Medicaid budget and accounting system (2013) • Create a cabinet-level Medicaid Department (July 2013) • Consolidate mental health and addiction services (July 2013) • Simplify and replace Ohio's 34-year-old eligibility system • Coordinate programs for children • Share services across local jurisdictions • Recommend a permanent HHS governance structure 	<ul style="list-style-type: none"> • Participate in Catalyst for Payment Reform • Support regional payment reform initiatives • Pay for value instead of volume (State Innovation Model Grant) <ul style="list-style-type: none"> – Provide access to medical homes for most Ohioans – Use episode-based payments for acute events – Coordinate health information infrastructure – Coordinate health sector workforce programs – Report and measure system performance

“The state’s current focus is to incorporate population health measures into regulatory and payment systems, and use those measures to align population health priorities across clinical services, public health programs, and community based initiatives.”

- Ohio State Innovation Model (SIM) Test Grant Application

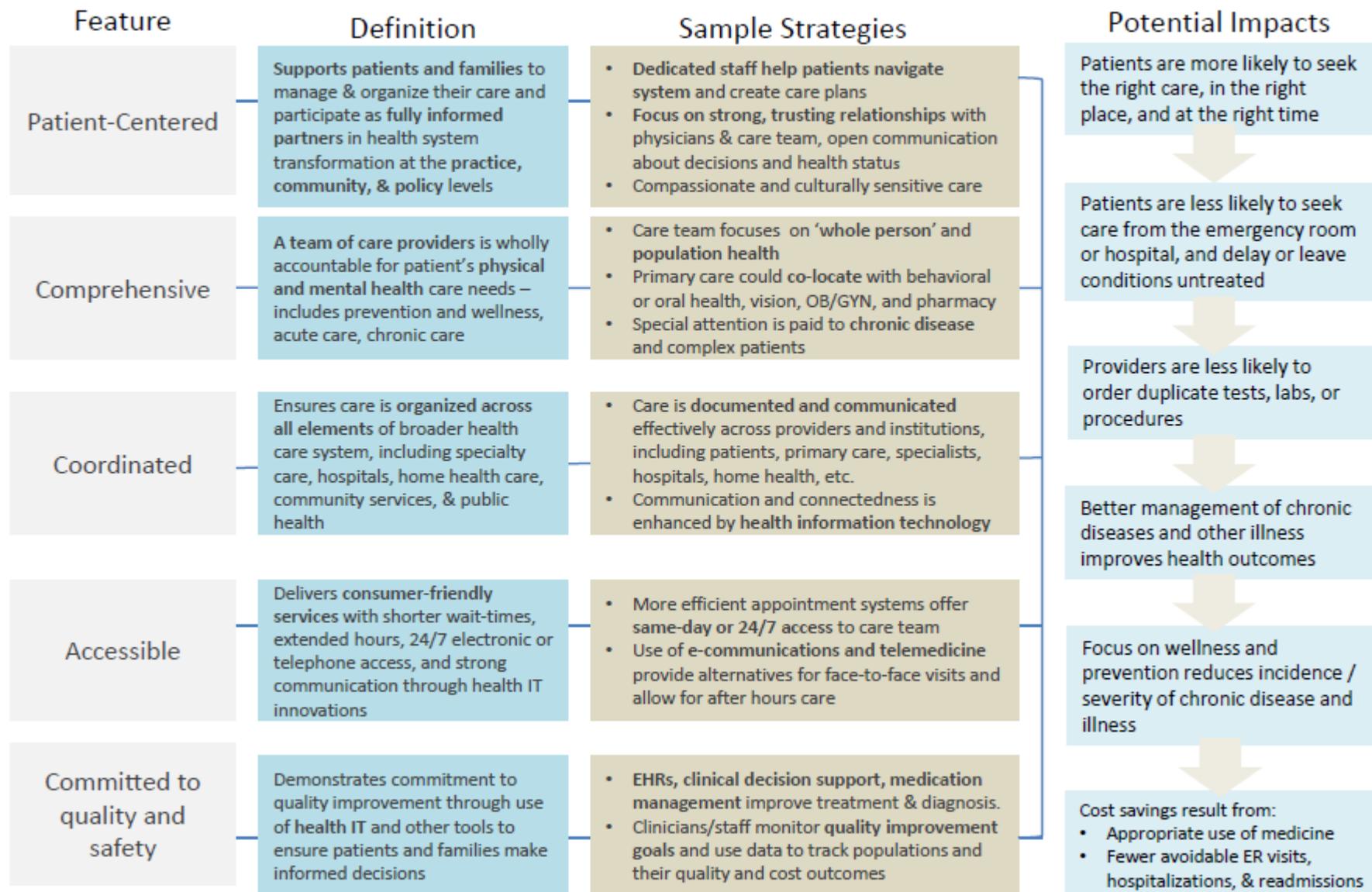


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Payment Innovation

- Our current health care system rewards medical care for individuals but neglects activities outside the doctor's office that contribute to better health were people live, learn, play and work.
- This systemic underrepresentation of population health in care delivery and coverage programs has contributed to the U.S. ranking below many countries in life expectancy, infant mortality, and other indicators of healthy life.
- This is particularly true in Ohio, which ranks 42 among states in the overall health of its population (CMWF 2014).

Why the Medical Home Works: A Framework



Source: Patient-Centered Primary Care Collaborative (2014)

Ohio's Health Care Payment Innovation Partners:



PCMH Payment Incentives

- Payers agree to provide resources to support business model transformation for a finite period of time, particularly for small, less capitalized practices
- Agree to provide resources to compensate PCMH for activities not fully covered by existing fee schedules (care coordination, non-traditional visits like telemedicine, population health)
- Agree to reward PCMHs for favorably affecting risk-adjusted total cost of care over time by offering bonus payments, shared savings, capitation, or sub-capitation.

Public Health Services

- Clinical preventive and primary care services (e.g., immunizations, clinics)
- Specific maternal and child health programs (e.g., WIC, Help Me Grow)
- Other optional services (e.g., home health, school nurses)

Ohio Minimum Local Public Health Services

Core Public Health Services

- Environmental health services
- Communicable disease control
- Epidemiology services
- Access to birth and death records
- Health promotion and prevention
- Emergency preparedness
- Linking people to health services
- Community engagement

Other Public Health Services

- Clinical preventive and primary care services (e.g., immunizations, clinics)
- Specific maternal and child health programs (e.g., WIC, Help Me Grow)
- Other optional services (e.g., home health, school nurses)

Foundational Capabilities

- Quality assurance, information management and analysis, policy development, resource development, legal support, laboratory capacity, expertise for community engagement

Population Health Planning

- The changing health care delivery system landscape is shifting the role of public health
- Coverage expansions through Medicaid and the Federal Exchange have the potential to alleviate much of the service need
- Brings into focus a different need to coordinate planning and fill gaps for special needs populations, and to address the underlying social determinants of health
- Opportunity to statewide population health priorities, regional patient-centered medical home priorities, community health improvement plans, and hospital community benefit requirements

Statewide Population Health Priorities

- Reduce Infant Mortality
 - Reduce Tobacco Use
- Reduce Health Disparities