Modernize Medicaid
Streamline Health and Human Services
Improve Population Health

Sign up for Office of Health Transformation budget alerts:
Joint Medicaid Oversight Committee (JMOC)

**Slowing Ohio’s Medicaid Per Capita Spending:**

- Since the creation of JMOC in May 2014, year-over-year growth in per capita Medicaid spending has slowed.
- Spending at the per member per month (PMPM) level has been significantly lower than was originally projected:
  - JMOC 2016 PMPM Target = 2.9% (actual 1.2%)
  - JMOC 2017 PMPM Target = 3.3% (actual < 2.6%)
- **Lower-than-budgeted PMPM produced savings of $1.6 billion across all funds in fiscal years 2015 and 2016**

http://www.jmoc.state.oh.us/reports
Coverage Works

Ohio Medicaid Group VIII Assessment Findings:

- a large decline in the uninsured rate to the lowest level on record for low-income adults
- most enrollees (89 percent) were uninsured prior to obtaining Medicaid coverage
- improved access to care was associated with a reduction in unmet medical needs
- high-cost emergency department use decreased
- many enrollees (27 percent) detected previously unknown chronic health conditions
- health status improved for most (48 percent) and worsened for very few (4 percent)
- many enrollees (32 percent) screened positive for depression or anxiety disorders
- it was easier for enrollees to buy food (59 percent) and pay rent (48 percent)
- the percentage of enrollees with medical debt fell by nearly half (from 56 to 31 percent)

Coverage Works

The Executive Budget:

• Maintains health care coverage for very low-income Ohioans at the income eligibility levels established in October 2013

• Positions Ohio to benefit from federal health reform

Governor Kasich’s letter to Congress urging a thoughtful repeal and replacement of Obamacare:
http://www.healthtransformation.ohio.gov/LinkClick.aspx?fileticket=oj81pHdvbybU%3d&tabid=193
Improve Care Coordination

- Creates a new Medicaid Managed Long Term Services and Supports (MLTSS) program (new procurement)
- Requires all Medicaid populations to be enrolled in a private sector health plan beginning January 1, 2018 (optional not mandatory for individuals with developmental disabilities)
- Assumes premiums for adults above 100 percent of poverty
- Aligns state privacy standards to match federal standards
- Transitions responsibility for non-emergency medical transportation (NEMT) from a county-based system to a state-based competitively selected brokerage model in July 2018
Prioritize Home and Community Based Services

*Ohio Medicaid HCBS Program:*  
- Invests an additional $84 million over two years  
- Increases rates for:  
  - Assisted Living  
  - Personal Care Aides  
  - Adult day, emergency response, and home delivered meal  
- Continues the Money Follows the Person Demonstration  
- Creates a new brokerage program to support self-direction
Prioritize Home and Community Based Services

*Developmental Disabilities HCBS Program:*  
- Invests an additional $100 million over two years  
- Supports additional state-funded IO and SELF waivers to avoid or leave institutions, and reduce waiting lists  
- Increases waiver reimbursement to cover complex needs  
- Expands cost-saving opportunities for shared living  
- Increases wages for direct support staff  
- Uses technology to support community living  
- Funds two pilot programs for youth with complex needs
Ohio Medicaid Residents of Institutions Compared to Recipients of Home and Community Based Services

Home and Community Based
(Aging, Medicaid, and DD waiver enrollment)

Facility-Based
(Nursing Facilities, ICF-IID and Developmental Center residents)

Source: Ohio Department of Medicaid (January 2017).
Rebuild Community Behavioral Health System Capacity

Modernize the Medicaid Benefit:

• Recodes services (provider manuals are posted online)
• Expands Medicaid rehabilitation options and supports a new Specialized Recovery Services program (replaces spenddown)
• Moves all Medicaid behavioral health services into managed care January 1, 2018, as required by the last budget
• Requires parity in physical and behavioral health services
• Provides Medicaid reimbursement for Institutions for Mental Disease (IMD) beginning July 1, 2017
Rebuild Community Behavioral Health System Capacity

**Strengthen Community Supports:**

- Assists prisoners with addiction transition to the community
- Encourages community innovations to avoid incarceration
- Supports addiction treatment for court-involved individuals
- Strengthens community prevention services
- Reduces preschool expulsions
- Continues support for *Strong Families, Safe Communities*
- Supports crisis hotlines and adds a text option
- Supports residency and traineeship programs for in-demand behavioral health professionals
Ohio Behavioral Health Spending

Total MHAS and Medicaid Behavioral Health Spending (Federal and State Funds in millions)

Source: Ohio Departments of Medicaid and Mental Health and Addiction Services (January 2017).
Reform Provider Payments

**Physician services** – invests $124 million:
- Pays $4 more PMPM for comprehensive primary care (CPC) practices
- Reports specialist performance on 47 high-cost episodes of care

**Intermediate Care Facilities** – invests $19 million:
- Modernizes ICF reimbursement and increases rates
- Increase ICF reimbursement to cover complex care needs

**Nursing Facilities** – saves $263 million:
- Reverses unintended gains from RUGS conversion
- Increases payments for low-acuity residents
- Includes low-acuity residents in the overall calculation of acuity
- Provides specialized services in nursing facilities

**Hospital services** – saves $588 million:
- Eliminates ICD-10 coding inflation
- Protects high-Medicaid hospitals from rate reductions
- Defaults to FFS without a managed care contract

**Single Preferred Drug List** – saves $42 million
Ohio Medicaid Hospital Spending
(All Funds in billions)

Source: Ohio Department of Medicaid (January 2017).
**Overall Medicaid Budget Impact**

- Holds Medicaid Department average per member cost growth below one percent (using the JMOC methodology)
- Introduces reforms that save taxpayers $2.2 billion over two years compared to projected baseline growth without reform
- Replaces the Medicaid MCO sales tax with an alternative
  http://www.healthtransformation.ohio.gov/LinkClick.aspx?fileticket=3a8V-BLI3k0%3d&tabid=136
- *Reduces the state share of Medicaid spending in 2018 and 2019 to pre-2014 levels*
Ohio Medicaid Budget vs. Actual Spending
(All Funds in billions)

Source: Ohio Department of Medicaid (January 2017).
## Ohio Medicaid Budget vs. Actual Spending
(All Funds in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
<th>Actual</th>
<th>Savings</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>--</td>
<td>$17,681</td>
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<td>2012</td>
<td>$19,097</td>
<td>$18,401</td>
<td>$696</td>
<td>4.1</td>
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<tr>
<td>2013</td>
<td>$20,042</td>
<td>$18,857</td>
<td>$1,185</td>
<td>2.5</td>
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<td>2014</td>
<td>$22,749</td>
<td>$20,859</td>
<td>$1,890</td>
<td>10.6</td>
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<tr>
<td>2015</td>
<td>$25,401</td>
<td>$23,467</td>
<td>$1,934</td>
<td>12.5</td>
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<tr>
<td>2016</td>
<td>$26,858</td>
<td>$25,293</td>
<td>$1,565</td>
<td>7.8</td>
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<tr>
<td>2017</td>
<td>$27,525</td>
<td>$26,305</td>
<td>$1,220</td>
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<tr>
<td>2018</td>
<td>$27,956</td>
<td>--</td>
<td>--</td>
<td>6.3</td>
</tr>
<tr>
<td>2019</td>
<td>$28,707</td>
<td>--</td>
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<td>2.7</td>
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</tbody>
</table>
Ohio Medicaid Budget vs. Actual Spending
(State General Revenue Funds in billions)

Source: Ohio Department of Medicaid (January 2017).
<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
<th>Actual</th>
<th>Savings</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>--</td>
<td>$3,777</td>
<td>--</td>
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<tr>
<td>2012</td>
<td>$5,111</td>
<td>$4,935</td>
<td>$175</td>
<td>30.9</td>
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<tr>
<td>2013</td>
<td>$5,301</td>
<td>$5,116</td>
<td>$185</td>
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<tr>
<td>2014</td>
<td>$5,739</td>
<td>$5,349</td>
<td>$390</td>
<td>4.6</td>
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<td>2015</td>
<td>$6,112</td>
<td>$5,509</td>
<td>$603</td>
<td>3.0</td>
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<tr>
<td>2016</td>
<td>$5,827</td>
<td>$5,328</td>
<td>$498</td>
<td>-3.3</td>
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<tr>
<td>2017</td>
<td>$6,084</td>
<td>$5,798</td>
<td>$286</td>
<td>8.8</td>
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<tr>
<td>2018</td>
<td>$5,308</td>
<td>--</td>
<td>--</td>
<td>-8.5</td>
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<tr>
<td>2019</td>
<td>$5,539</td>
<td>--</td>
<td>--</td>
<td>4.4</td>
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</tbody>
</table>
Modernize Medicaid

Streamline Health and Human Services

Improve Population Health

Sign up for Office of Health Transformation budget alerts:
Simplify Eligibility Determination

- Supports eligibility applications and renewals for TANF and SNAP through Ohio Benefits by February 2018
- Implements an Interactive Voice Response system that will relay case information to applicants via phone or text
- Creates an Enterprise Workflow and Document Management System that provides all 88 counties an efficient means to share documents and caseloads across county lines
- Establishes Ohio Benefits as the single system of record for eligibility determination (and retires duplicative systems)
- Accelerates the process for disability determinations and eliminates the Disability Financial Assistance program
Modernize Medical Professional Licensing Boards

• Shields boards from potential antitrust lawsuits by creating a third-party review of potential antitrust violations through the Ohio Department of Administrative Services
• Consolidates the current 16 medical professional licensing boards into eight boards
• Keeps staffing levels similar to what it is today – about 270 staff – but cuts the number of appointed board members in half, from 161 today to 79 under the new structure
• Provides the same level of support for the same number of licensees, but also achieves administrative savings and better aligns oversight across related professions
Modernize Medicaid
Streamline Health and Human Services
Improve Population Health

Sign up for Office of Health Transformation budget alerts:
The Executive Budget aligns state funding to support health improvement priorities

### Overall health outcomes
- **↑ Health status**
- **↓ Premature death**

### 3 priority topics

<table>
<thead>
<tr>
<th>Mental health and addiction</th>
<th>Chronic disease</th>
<th>Maternal and Infant health</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>↓ Depression</strong></td>
<td><strong>↓ Heart disease</strong></td>
<td><strong>↓ Preterm births</strong></td>
</tr>
<tr>
<td><strong>↓ Suicide</strong></td>
<td><strong>↓ Diabetes</strong></td>
<td><strong>↓ Low birth weight</strong></td>
</tr>
<tr>
<td><strong>↓ Drug dependency/abuse</strong></td>
<td><strong>↓ Asthma</strong></td>
<td><strong>↓ Infant mortality</strong></td>
</tr>
<tr>
<td><strong>↓ Drug overdose deaths</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 10 priority outcomes

- Reduce infant mortality
- Reduce drug abuse and overdose deaths
- Reduce the incidence of depression and suicide
- Reduce the burden of chronic disease

### Equity: Priority populations for each outcome

### Cross-cutting factors
The SHIP addresses the 10 priority outcomes through cross-cutting factors that impact all 3 priority topics

<table>
<thead>
<tr>
<th>Cross-cutting factors</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social determinants of health</td>
<td>Student success, Economic vitality, Housing affordability and quality, Violence-free communities</td>
</tr>
<tr>
<td>Public health system, prevention and health behaviors</td>
<td>Tobacco prevention and cessation, Active living, Healthy eating, Population health infrastructure</td>
</tr>
<tr>
<td>Healthcare system and access</td>
<td>Access to quality health care, Comprehensive primary care</td>
</tr>
</tbody>
</table>

| Equity | Strategies likely to decrease disparities for priority populations |
Improve Student Success through Better Health

- Financially reward primary care practices that focus on better student health
- Support districts to create partnerships that improve student health
- Identify proven partners who can assist to improve student health
Reduce Tobacco Use
Strengthen Public Health Infrastructure

Support Accreditation
- Doubles the state subsidy for accredited health districts
- Provides technical support for accreditation
- Supports health districts that want to merge

Align Community Health Priorities
- Makes the State Health Assessment available online
- Creates a website to post health district, hospital plans
- Supports health districts’ shift to a 3-year planning cycle
- Provides guidance for community-level planning
- Aligns state funding to support health improvement priorities
## Improve Health Through Economic Vitality

<table>
<thead>
<tr>
<th></th>
<th>January 2011</th>
<th>January 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Jobs</strong></td>
<td>350,800 private-sector jobs lost over previous four years</td>
<td>436,000 private-sector jobs created over past six years</td>
</tr>
<tr>
<td><strong>Budget</strong></td>
<td>$8 billion structural budget shortfall</td>
<td>Structurally sound budget balanced without a tax increase</td>
</tr>
<tr>
<td><strong>Rainy Day Fund</strong></td>
<td>89¢</td>
<td>$2.02 billion</td>
</tr>
<tr>
<td><strong>Unemployment Rate</strong></td>
<td>9.1% - (above the national average)</td>
<td>4.9% - (below the national average and lowest since 2001)</td>
</tr>
<tr>
<td><strong>Number of Unemployed</strong></td>
<td>527,000</td>
<td>278,000</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>Ohio income tax increased by more than $800 million in 2010</td>
<td>Over $5 billion net tax cut, including a new Earned Income Tax Credit for low-income workers</td>
</tr>
<tr>
<td><strong>Ohio’s Credit Rating Outlook</strong></td>
<td>Negative</td>
<td>Stable</td>
</tr>
</tbody>
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