



Governor's Office of  
Health Transformation

# **Building Momentum: Next Steps to Improve Overall Health System Performance**

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**Governor's Office of  
Health Transformation**

- 1. Modernize Medicaid,**
- 2. Streamline health and human services, and**
- 3. Engage private sector partners to set clear expectations for overall health system performance**

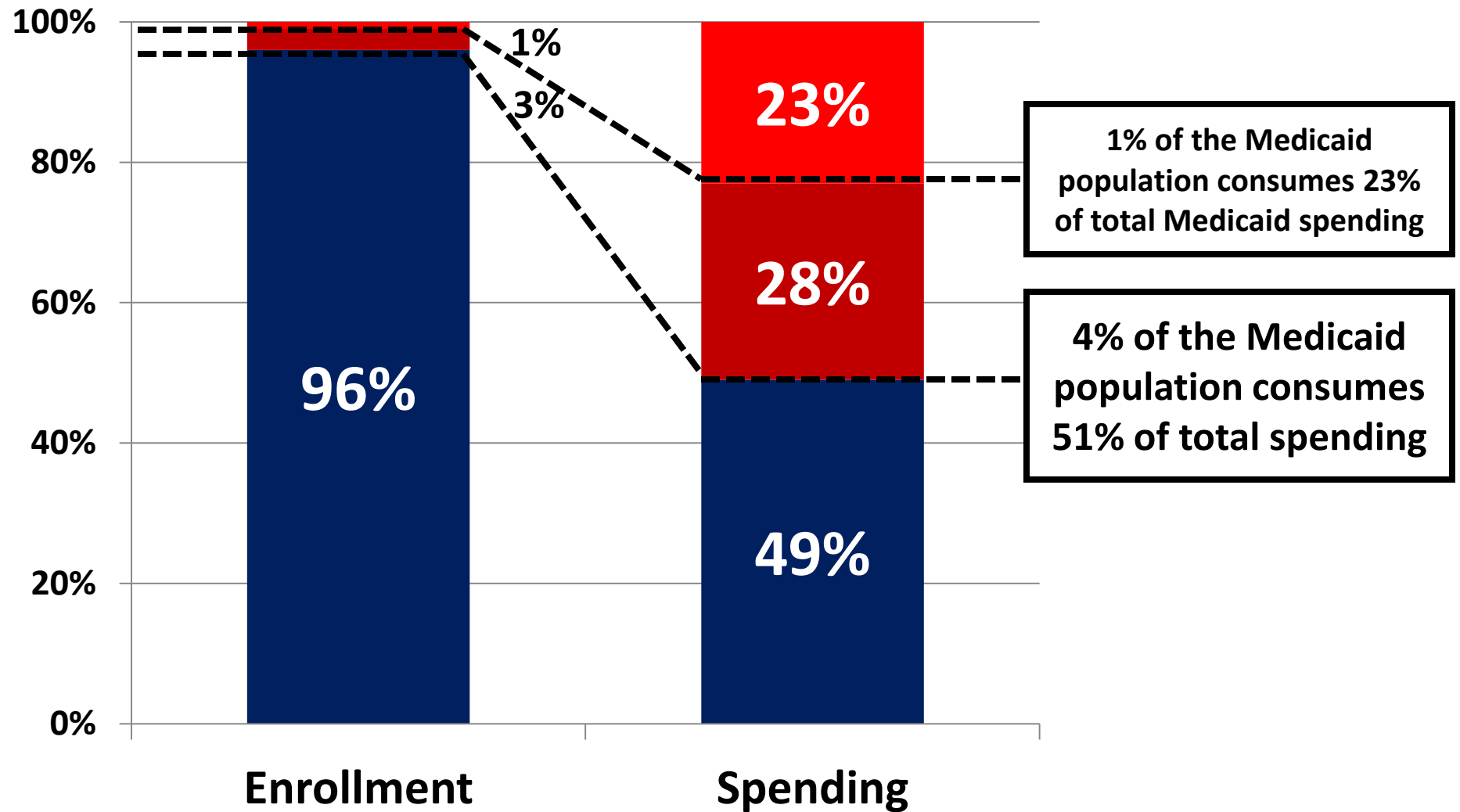
**Medicaid is Ohio's largest health payer, covering  
1 in 5 Ohioans and 2 in 5 births**

**In 2014, an estimated one million additional  
Ohioans will become eligible for Medicaid**

**Medicaid spending is growing at an unsustainable  
rate, four times faster than the Ohio economy**

**Ohio Medicaid now consumes 30% of total state  
spending and 4% of the total Ohio economy**

# A few high-cost cases account for most Medicaid spending



# Health Care System Choices

## Fragmentation

vs.

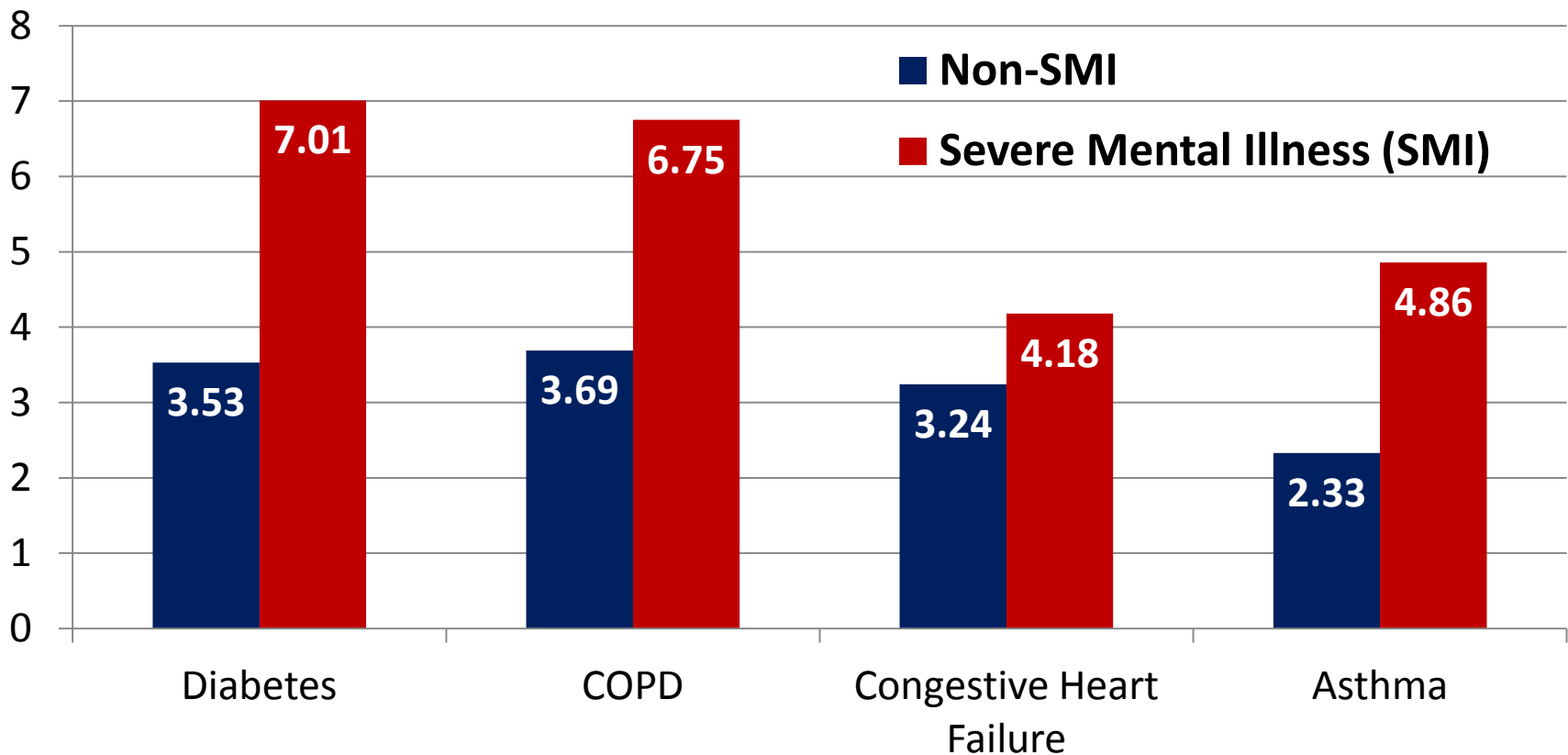
## Coordination

- 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- Outdated information technology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

# 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)*



# Our 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

[www.healthtransformation.ohio.gov](http://www.healthtransformation.ohio.gov)

**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**

**Only after program and operational alignment occurs will governance changes make sense**

# 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 (ongoing)
- After operational alignment, recommend a permanent HHS governance structure

**Ohioans spend more per person on health care than residents in all but 13 states<sup>1</sup>**

**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 Ohio<sup>2</sup>**



# Health System Performance Priorities



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

# What will deliver better health for Ohioans and cost savings for Ohio businesses?

- Patient-Centered Medical Homes?
- Comprehensive Primary Care Initiatives?
- Improvements for major acute care?
- Chronic disease management?
- Health homes for people with chronic conditions?
- Accountable Care Organizations?
- Other delivery system and payment innovations?

Don't let the fear of failure  
prevent you from taking the  
risk necessary to innovate.

— Governor John Kasich