

Appendix:

The Ohio Commission to Reform Medicaid Recommendations

Commission Long-Term Care Proposals

- Increase the clinical capacity and flexibility of home care options for consumers
- Expand the list of assets recoverable outside of state probate law
- Establish through a waiver “tiered asset recovery policies”
- Establish a LTC “voucher program” to accommodate “cash and counseling” and “money follows the person” approaches
- Increase assets that people seeking waivers may retain

Commission Long-Term Care Proposals

- Remove the nursing home reimbursement formula from statute
- Have the Executive branch negotiate fair and reasonable nursing home payment rates
- Phase out CON for nursing home facilities
- Create a comprehensive pre-admission screening process for Medicaid-funded LTC
- Establish LTC Resource Centers in each Area Agency on Aging
- Offer assisted living as a Medicaid option

Commission Long-Term Care Proposals

- Create a unified long-term care budget across all state and local governmental agencies and service settings
- Establish a single accountable head to provide leadership and direction to meeting the long-term care needs of Ohioans
- The Ohio Department of Aging should hold this responsibility
- Establish a long-term care policy coordinating entity with authority that spans all state long-term care plans and programs

Commission Care Management Proposals

- Expand the current full-risk managed care program to all covered families and children throughout Ohio
- Apply care management to the ABD group:
 - Option 1 through an expanded enhanced care management program (ECM) with added emphasis on people with mental health conditions and high cost users of care
 - Option 2 pursue full-risk managed care
 - Option 3 develop additional care management programs
 - Option 4 combine care management for both acute and long term care, such as PACE

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Commission Pharmacy Reform Proposals

- Pharmacy is the one optional service where the Commission found substantial room for savings
- Consolidate all state drug purchasing
- Lift restrictions on pursuing supplemental rebates for mental health and AIDS drugs
- Change state and federal drug law and regulations to make prices transparent
- Limit the number of preferred drugs to equivalent, lower cost products, requiring prior authorization for the other medications

Commission Pharmacy Reform Proposals

- Regularly evaluate and sponsor evidence-based research on the use of prescription drug therapies
- Increase the use of generics as percent of all drug expenditures
- Bring Medicaid pharmacy payment into parity with commercial insurers:
 - Using purchasing clout with generic producers
 - Decrease dispensing fee to \$2.50
 - Reduce price paid from wholesale acquisition cost (WAC) plus 9% to WAC plus 5%

Commission Pharmacy Reform Proposals

- Apply a \$1 copayment to all brand name drug purchases
- Implement a mail-order program for chronic care maintenance medications
- Initiate medication management therapy
- Provide incentives for hospitals and doctors to use electronic prescribing
- Monitor the shift to the Medicare Part D formulary, operating on the premise that Ohio will not provide coverage for things not covered under Part D benefits

Commission Eligibility Reform Proposals

- Move all disability determination processing from ODJFS to the Social Security Administration through the Rehabilitation Services Commission's Bureau of Disability Determination
- Develop further data and policy alternatives to shift Ohio from being a 209b state to being a 1634 state
- Collect premiums from persons receiving transitional Medicaid benefits
- Require certain Medicaid recipients to enroll in private employer insurance
- Establish a Medicaid Buy-In Program for people with disabilities after implementing other Commission recommendations to control Medicaid spending

Commission Finance Reform Proposals

- Establish a firm annual spending target for the Medicaid target for the 525 budget line item:
 - Medicaid per member per month (PMPM) costs for CFC and ABD **times** the projected number of consumers in each group **times** the average annual rate of change in medical inflation for the past three years
 - The average annual rate of change in medical inflation for the past three years and
 - The projected rate of change for the biennium in total state general revenues from the previous state fiscal year

Commission Finance Reform Proposals

- Requires giving ODJFS tools to manage utilization rates and prices paid to live within appropriation levels, with consultation with interested parties and legislative oversight (must take payment formulas out of statute)
- Freeze hospital in-patient rates for SFY 06/07
- Reduce payment rates by up to 3% for nursing home and ICF/MR facilities
- Pay bills no sooner than the end of the month after receipt of a valid invoice (slow payment)

Commission Finance Reform Proposals

- Improve coordination of benefits to make sure that Medicare and private insurers act as the primary payer
- Shift Medicaid payment for long-term acute care hospitals and rehabilitation hospitals from a cost-plus basis to a prospective diagnostic and risk-adjusted (DRG) capitated rate, similar to that used by Medicare

Commission Structure and Management Reform Proposals

- Design and implement a comprehensive program of performance and fiscal compliance audits, giving authority to the Auditor of State (AOS) to conduct Medicaid performance audits and creating an Audit Integrity Fund with AOS
- Create a multi-agency Program Integrity Task Force
- Tighten enrollment controls to keep abusive providers out of Medicaid

Commission Structure and Management Reform Proposals

- Calculate provider-specific and provider type-specific error rates
- Make the Surveillance Utilization Review Section as an independent entity in ODJFS
- Amend state and federal laws that hamper an effective program integrity system
- Update Ohio's Medicaid information system with current technology, including an enterprise data warehouse and paperless system for submitting claims

Commission Structure and Management Reform Proposals

- Restructure Ohio Medicaid:
 - Appoint a Medicaid Transition Council
 - Create an Ohio Department of Medicaid by July 1, 2007
- Leverage Ohio Medicaid's buying power through:
 - Greater use of selective contracting
 - Adopting pay-for-performance strategies
- Increase Medicaid's access to clinical and analytical resources to improve health care delivery and financing through collaborations with Ohio's Academic Medical Centers