JOHN B. McCARTHY
DIRECTOR
OHIO MEDICAID – OFFICE OF MEDICAL ASSISTANCE

CARE DELIVERY COORDINATION THROUGH MEDICAID-MEDICARE INTEGRATION

THURSDAY, DECEMBER 13, 2012

Chairman Baucus, Ranking Member Hatch, and members of the committee, thank you for the invitation to discuss Ohio's ongoing effort to create and implement an Integrated Care Delivery System (ICDS) for Medicare-Medicaid enrollees.

My name is John McCarthy and I oversee the Office of Medical Assistance (OMA) as Medicaid Director for the State of Ohio. An office within the Ohio Department of Job and Family Services, OMA is currently in the process of becoming our state's first cabinet-level Medicaid agency – a move aimed at bringing comprehensive reform and quality improvement to Ohio's health care landscape. Better care planning and coordination for Medicaid's dual eligible population is central to this work.

Approximately 182,000 Ohioans are covered by both Medicare and Medicaid. However, the absence of any significant degree of coordination in the delivery of benefits between the two programs has contributed to a diminished quality of care. Frankly, the current system is confusing and difficult to navigate and no single entity is accountable for the whole person. Additionally, despite substantial investments, Ohio's long term care services and supports remain in the third quartile of states and such spending will prove unsustainable with the rapid aging of Ohio's population. This has led to the fact that individuals enrolled in both programs make up 14 percent of Ohio's Medicaid enrollment, but they account for 34 percent of all expenditures. Clearly a 'hot spot' in the discussion involving care quality and cost-containment, the time has come to improve coverage for individuals enrolled in both Medicaid and Medicare.

In its efforts, Ohio is hoping to achieve the following:

- One central point of contact for enrollees;
- Person-centered care that is maintained seamlessly across services and settings of care;
- A system that is easy to navigate for both enrollees and providers; and
- Lower care costs through wellness, prevention, coordination, and community-based services

On April 2, 2012, Ohio submitted its Integrated Care Delivery System (ICDS) proposal to the Centers for Medicare and Medicaid Services (CMS). Ohio envisions the creation of a fully integrated system of care that provides comprehensive services to individuals enrolled in both programs across the full continuum of Medicare and Medicaid benefits. Through this model, we anticipate that more individuals enrolled in both programs will receive the medical and supportive services they need not only in a more coordinated and integrated fashion, but in their own homes and other community-based settings - rather than in more costly institutional settings.

Ohio has chosen the capitated managed care model offered by CMS. Through this CMS Medicare-Medicaid demonstration program, Ohio will develop a robust care-delivery system capable of managing the full spectrum of benefits made available to individuals, including long term services and supports (LTSS). Our proposed program is a three-year demonstration that will take place in 29 Ohio counties separated into seven geographical regions. This plan will not only improve care for the approximately 114,000 eligible beneficiaries who reside in these counties, but will also play a critical role in reducing duplicative costs and boosting greater efficiency in both programs. Implementation of the program is slated to begin in fall of 2013, pending approval from CMS.

Of course, in order for any initiative of this kind to prove effective, it must place the individual first. That is why we have made every effort to emphasize the need for real person-centered care that moves seamlessly across services and care settings alike.

With that said, Ohio selected five health plans through a competitive process to manage the benefit package for dual eligible beneficiaries under the ICDS demonstration. Selected plans include Aetna, Buckeye, CareSource, Molina, and United. All five of the plans will utilize a variety of care management tools to ensure the proper coordination of services. Ohio's ICDS health plans will have the responsibility to comprehensively manage the delivery of services to individuals enrolled in both programs. Some of the responsibilities include

- Arranging for care and services by specialists, hospitals, and providers of LTSS and other community-based services and supports;

- Allocating increased resources to primary and preventive services in order to reduce utilization of more costly benefits, including institutional services;

- Covering all administrative processes, including consumer engagement, outreach and educational functions, grievances, and appeals;

- Coordinating service plan development and delivery;

- Working cooperatively with a financial management services (FMS) vendor and consumers in cases involving self directed care;

- Using a person-centered care coordination model that promotes an individual's ability to live independently and which includes the individual in the development of their care plan; and

- Utilizing a payment structure that blends Medicare and Medicaid funding and mitigates the conflicting incentives that exist between Medicare and Medicaid.

A series of enrollee protections have also been included to ensure that high standards for care are maintained on a consistent basis. With at least two plans in all regions, beneficiaries will have the power to choose what avenue of care best fits their needs. Eligible individuals also reserve the ability to opt out of the Medicare portion of the initiative if they so choose. ICDS plan member advisory groups will also be established and a unified grievance and appeal process will be implemented in order to further assure individuals that their needs and concerns are being heard. Finally, strong safeguards will be put into action to ensure quality management and proper oversight over all aspects of this initiative.

However, the number one protection for individuals in the program is that they are *guaranteed* continuity of care for one year with all providers, except for assisted living and nursing facility providers where they are guaranteed three years. Providers have also been protected from rate reductions from the Medicaid rates for those same periods.

The power of choice for beneficiaries is a common theme throughout our proposal, and that is no different in the enrollment stage. Individuals will have opportunities to make choices during the process, such as consulting over the phone with an enrollment contractor, during regional education and enrollment forums, or through one-on-one in-person enrollment counseling.

All individuals who enroll in the demonstration will be provided with a care manager. Through the use of an *identification strategy*, the ICDS plan will prioritize the order in which individuals will receive a comprehensive health assessment. Comprehensive assessments will include an evaluation of an individual's medical, behavioral, social, and long-term care needs. The Office of Medical Assistance will also prescribe a minimum contact schedule to assess risk acuity and stratification levels.

Of course, one size certainly does not fit all when it comes to health care. That is why every enrollee will be provided with an individualized, integrated care plan based on the results of their comprehensive assessment. Quality assurance will continue throughout the time of care as plans will be required to complete evaluations of the impact and effectiveness that their care management model has on the health outcomes and consumer satisfaction of our beneficiaries. The results of these evaluations will be integrated into the plans' continuous quality improve programs.

Quality will be further assured through the utilization of national measures used by all demonstration projects. Ohio-specific measures focused on transition, diversion and balance will also be derived and used, in addition to standard measures traditionally associated with Home and Community-Based Services.

It is important to note that Ohio has engaged with stakeholders and advocates throughout the design and development phases of this demonstration project. In order to ensure success and maintain a truly collaborative process, we will continue reaching out to providers, advocates, and individuals throughout the implementation and operational phases of the project.

Thank you again Chairman Baucus, Ranking Member Hatch, and members of the committee for the opportunity to explain Ohio's ongoing pursuit of an Integrated Care Delivery System for Medicare-Medicaid eligible individuals.