



**Testimony of
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Senate Medicaid Committee

Chairman Burke and Members of the Committee, thank you for the opportunity to speak to you today about the state's Medicaid managed care program and Ohio's partnership with the private sector to provide health care to more than 2 million Ohioans. My name is Miranda Motter, and I serve as the President and CEO of the Ohio Association of Health Plans (OAHP). OAHP is the statewide trade association representing 15 member companies that are commercial insurers, Medicare Advantage plans and Medicaid managed care plans. Collectively, OAHP member plans are dedicated and accountable to more than 8 million Ohio health care consumers. Our core mission is to promote and advocate for quality health care and access to a variety of affordable health benefits for all Ohioans.

Under the direction of Directors Moody and McCarthy, Ohio's Medicaid program is leading the way nationally. In today's health care environment, there is great focus on improving patient outcomes and controlling costs. Ohio's Medicaid program is effectively demonstrating that these are not mutually exclusive goals. By largely replacing the traditional "fee-for-service" program with one that utilizes private sector innovation and focuses on outcomes by linking payments with performance, Ohio's Medicaid managed care plans put the spotlight squarely on improving health outcomes for beneficiaries.

By enrolling almost 80 percent of beneficiaries in private sector managed care plans, Ohio's Medicaid program provides predictability for the state budget and relieves taxpayers of financial risk. And, by setting high standards for program components and measuring performance against them, the State and its private sector partners together ensure that Ohio's neediest citizens receive quality health care services. Despite significant, recent change, modernization of Ohio's Medicaid program continues.

OAHP Medicaid managed care plans support a number of initiatives in the Administration's FY 2016 - 2017 budget proposal. A number of these proposals were either amended or removed during House deliberations on the bill. I would like to provide you with a brief list of proposals which OAHP Medicaid managed care Plans support as they were introduced in the Administration's proposal. Additionally, we look forward to the opportunity to participate in panel discussions on specific topics, including behavioral health integration, value based purchasing and the MyCare program, and thus will reserve any detailed comments relative to those three issues for that discussion.

- OAHP Medicaid Managed Care Plans ***support integrating behavioral health services into the Medicaid managed care program.*** Today, individuals with behavioral health needs are not receiving the best comprehensive care possible. Their health care is fragmented due to current system barriers and, thus, their care doesn't receive the full benefits of care coordination and care management that other populations in the Medicaid managed care program receive. Plans have the expertise to coordinate an individual's physical and behavioral health care needs, can ensure access to quality providers and will provide improved health care outcomes via the quality standards they are required to meet. The House removed this initiative from the bill.
- OAHP Medicaid managed care plans ***support moving children in foster care into the Medicaid managed care program.*** Today, these children are served under the traditional volume-over-value, fee-for-service program and, thus, do not receive the benefit of care coordination and increased access to services other populations in the Medicaid program receive. These children need a health care system that assures access to quality programs, measures for outcomes and provides health care in a comprehensive way through care coordination and care management. Coupled with integration of behavioral health services, OAHP Medicaid managed care plans will be well-positioned to provide a full array of integrated health care services to these children and better connect these services with local children's services staff to holistically care for these deserving young Ohioans. The House removed this initiative from the bill.
- OAHP Medicaid managed care plans ***support enrollment into a Medicaid managed care plan on "day one" of eligibility.*** This proposal supports care coordination from day one of Medicaid eligibility and will be key for the work plans are doing to reduce Ohio's infant mortality rate and improve prenatal care of newly pregnant Medicaid consumers. The House maintained this proposal in the bill.
- OAHP Medicaid managed care plans ***support the Administration's financial commitment to infant mortality relative to the (1) utilization of community entities in hot spot neighborhoods to assist with outreach and identification of women, especially pregnant women and (2) coordination with local health districts in the hot spots to develop a communications plan.*** Over the last 12 months, OAHP has been working with provider partners to identify the hot spots with high infant mortality rates. This proposal aligns with the focus areas plans and providers have identified, and the plans stand ready to continue to partner with community stakeholders and experts to help connect with women in need of these services.
- OAHP Medicaid managed care plans ***support eliminating barriers to value-based purchasing efforts, including eliminating the "Holzer add-on."*** The Administration,

once again, proposed to remove this payment reform barrier from the Code. This is an area OAHF would like to discuss in more detail during the panel discussions before this committee on value-based purchasing. In short, these types of provisions run afoul of the state's commitment to moving toward accountable standards for all providers. This provision would essentially pay a single provider 140 percent of the fee-for-service rate with no benchmarks for quality or outcomes. These types of provisions also have impact greater than just the provider they are intended to protect. They have an impact on the reimbursement rates in the entirety of that the geographical location. The House reinserted the funds needed to support this payment.

- OAHF member plans have *concerns about the All Payer Claims Database (APCD) language the House added to Sub. HB 64 without any public debate or discussion with stakeholders.* The House passed version of the budget would enact into law proposed ORC 3728.01 to .08 which would create an All-Payer Health Claims Database to be a resource for continuous review of health care utilization, expenditures, quality and safety. OAHF is concerned with the creation of an All Payer Claims Database because there has been no showing that such a Database would be an overall benefit to the State of Ohio, rather than another regulatory requirement that increases the cost of coverage and the state budget and reduces competition in the market. In this regard, our concerns are as follows.
 - Before enacting into law a requirement to establish an All Payer Claims Database, the purpose and scope of the Database should be clearly defined.
 - The information to be collected by the Database is proprietary and competitively sensitive, and it is not shared with competitors or the public.
 - Ohio currently has a competitive marketplace, with many insurance companies offering coverage. Onerous disclosure requirements could raise the cost of coverage. In addition, a requirement that companies disclose proprietary and sensitive information would impact the competitive nature of Ohio's insurance markets.
 - The dollars allocated to the Database are from Money Follows the Person, which we believe cannot be appropriated for this purpose.
 - We believe the Database language should be removed entirely from SB 64 because the idea has not been vetted. If this issue is to be pursued, OHT could convene an advisory group to discuss whether a Database is in the best interest of the State, what is the appropriate purpose and scope of such a project, and to vet issues such as proprietary rights to competitively sensitive information, confidentiality and costs.

Lastly, the House included provisions that would establish the Healthy Ohio Program, which would establish health savings accounts for the majority of the Medicaid population, including

more vulnerable populations such as children and pregnant women. OAHP Medicaid managed care plans continue to support personal responsibility for our members; however, we have analyzed the impact of the Healthy Ohio Program as proposed by the House, we would like to provide you with initial feedback OAHP received from our Medicaid managed care member plans. Key concerns are on the potential impact on access and continuity of care for these individuals as there is potential for a high churn rate as these individuals fall on and off the Healthy Ohio Program through inability to meet the proposed contribution levels and annual and lifetime limits.

The implementation of this program would require an extensive administrative lift for the state and the Medicaid managed care plans as the current Medicaid program is not set up to perform the required functions, which would require significant IT investment. Another significant investment would be needed to hire additional staff to perform these functions, as well as to provide educational support to members and providers as they learn the new program.

We look forward to having further conversations on this program with members as we continue to identify innovative ways to reform Ohio's Medicaid program.

Again, we appreciate the opportunity to provide information, our insights, our perspectives and our vision for of our state's forward-thinking Medicaid program. The OAHP Medicaid managed care plans stand behind me to provide you further testimony on some of the above topics.