

The Positive Impact of Private Industry on Public Health Care

Medicaid Managed Care in Ohio

Medicaid is a joint federal and state program that provides health care and long-term services and supports for more than 72 million people in the United States including pregnant women, children, low-income adults, and individuals with disabilities regardless of age. Nearly three million Ohioans receive coverage through Medicaid. The shift from Medicaid fee-for-service (FFS) to managed care has been a key strategy in strengthening Ohio Medicaid by containing costs, improving quality and driving innovation.

FFS Medicaid vs. Medicaid Managed Care

A FFS system operates similarly to a single payer model—one-size-fits-all with little room to accommodate the unique needs of people or the communities in which they live. Under traditional FFS, the State directly contracts with providers and pays them a set fee for each service provided. Providers are therefore paid based on the volume of services rather than the value of those services with limited accountability or quality measurement.

In Medicaid managed care, Ohio pays Medicaid Managed Care Plans (MCPs) a fixed monthly capitation rate to cover certain services for members

and to be responsible for the health of their members. The MCPs are financially at-risk to provide all health care services included in their contract with the Ohio Department of Medicaid. MCPs are required to cover primary and acute services set forth by the federal government as well as optional services Ohio has elected to provide. MCPs may also provide value-added benefits to enhance their members' experience, health and well-being. MCPs maintain an adequate network of specialists and assign members to a primary care provider. MCPs are also responsible for active member engagement and monitoring to ensure their members' health care needs are being met, providers are available, and care is being effectively managed to improve outcomes.

Medicaid Managed Care Today

Today, 86 percent of all Medicaid members—nearly 2.5 million Ohioans—receive care from one of five state-wide MCPs. Medicaid members enrolled in managed care include:

- Women, children, and families through the Covered Families and Children (CFC) program
- Aged, blind and disabled (ABD) individuals

- Childless adults between 19 and 64 years old with income less than 138 percent of the federal poverty level, sometimes referred as the "Expansion Population"
- Persons eligible for both Medicare and Medicaid who live in one of the seven multi-county MyCare Ohio demonstration regions
- Individuals enrolled in the Bureau for Children with Medical Handicaps (BCMh)
- Children in custody
- Children receiving adoption assistance
- Breast and cervical cancer program recipients
- Individuals enrolled in one of four Developmental Disability (DD) waivers can voluntarily enroll in Medicaid managed care

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History of Medicaid Managed Care in Ohio

<p>1978 – 1988</p>	<p>Initial Voluntary Medicaid Managed Care Pilots</p> <ul style="list-style-type: none"> • 1978: Voluntary enrollment in Cuyahoga and Belmont counties • Mid-1980s: Voluntary enrollment in 28 counties • ~85,000 Medicaid managed care enrollees
<p>1989 – 1994</p>	<p>Mandatory Medicaid Managed Care Begins</p> <ul style="list-style-type: none"> • 1989: 1115 waiver for mandatory enrollment in Montgomery County • Voluntary enrollment in Butler, Greene, Lorain, Marion, Stark, Summit, Trumbull, Wood counties
<p>1995 – 2001</p>	<p>Ohio Care Waiver</p> <ul style="list-style-type: none"> • 1115 waiver to expand mandatory enrollment in 10 counties in Akron, Cincinnati, Cleveland, Columbus, Dayton and Toledo regions • Voluntary enrollment expands to Mahoning, Miami counties • Consolidation of MCPs in state • Nearly 250,000 Medicaid managed care enrollees
<p>2001 – 2005</p>	<p>Preferred Option</p> <ul style="list-style-type: none"> • 1915(b) waiver to automatically enroll in managed care unless member actively selects FFS in Butler, Clark, Franklin, Hamilton, Lorain and Montgomery counties • Mandatory managed care in Cuyahoga, Lucas, Stark, Summit counties • Voluntary managed care expanded to Clermont, Greene, Pickaway, Warren, Wood counties • More than 489,000 Medicaid managed care enrollees
<p>2006 – 2012</p>	<p>Statewide Mandatory Medicaid Expansion</p> <ul style="list-style-type: none"> • General Assembly requires mandatory Medicaid managed care for almost all CFC program and portion of ABD population • Pharmacy benefit carved into managed care • 87 of 88 counties in mandatory Medicaid managed care
<p>2013 – present</p>	<p>Recent Developments</p> <ul style="list-style-type: none"> • More than 37,000 children with special needs transition to Medicaid managed care • 77 percent of ABD individuals enrolled in Medicaid managed care • State budget requires children in foster care and adoption services to enroll in Medicaid managed care • 2016-2017 budget repeals prohibition on including alcohol, drug addiction and mental health services in Medicaid managed care, carving in behavioral health services no later than January 1, 2018