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.

MANAGED CARE PROVIDES ADVANTAGES OVER A FEE FOR SERVICE DELIVERY SYSTEM

Under traditional FFS, the State directly contracts with providers and pays them a set fee for each service provided, with little room to accommodate the unique needs of people or the communities in which they live. Providers are paid based on the volume of services provided with limited accountability or quality measurement rather than based on the value of those services.

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. When setting capitation rates, the state's actuary reduces the rates to reflect actual achieved savings and saving targets that plans should be able to achieve through better management.

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 – 2.4 million Ohioans – receive care from one of six statewide MCPs. All Medicaid recipients are required to enroll in managed care with the following exceptions:

- Individuals enrolled in PACE, living in an intermediate care facility for individuals with intellectual disabilities (ICF/IDD), dual eligible individuals who live outside a MyCare county, inmates, and ABD enrollees living in a nursing facility for more than two months.

- Individuals enrolled in a Medicaid waiver through the Department of Developmental Disabilities and members of a federally recognized Indian tribe can voluntarily enroll in Medicaid managed care.

Ohio was an early adopter of managed care and has been using it for portions of its Medicaid program since the 1970s. Both managed care and the state's oversight have evolved and improved over time. Ohio's responsible approach to program structure, regulation, and rate setting have created a stable and mature environment where the state and managed care plans have been able to focus on improving efficiency and effectiveness.

HISTORY OF MEDICAID MANAGED CARE IN OHIO

1978-1988
INITIAL VOLUNTARY MEDICAID MANAGED CARE PILOTS
- 1978: Voluntary enrollment in Cuyahoga and Belmont counties
- Mid-1980s: Voluntary enrollment in 28 counties
- 85,000 Medicaid managed care enrollees

1989-2001
MANDATORY MEDICAID MANAGED CARE BEGINS
- 1115 waiver for mandatory enrollment begins in Montgomery County and expands to 10 counties
- Voluntary enrollment expands to include 10 additional counties
- Nearly 250,000 Medicaid managed care enrollees

2002-2005
PREFERRED OPTION
- 1915(b) waiver to automatically enroll in managed care unless member actively selects FFS in select counties
- Mandatory managed care in major urban counties
- Voluntary managed care expanded to additional counties
- More than 489,000 Medicaid managed care enrollees

2006-2012
STATEWIDE MANDATORY MEDICAID EXPANSION
- 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

2013-PRESENT
RECENT DEVELOPMENTS
- Enrollment expanded to cover additional populations and additional services
- Implementation of Ohio Managed Care Quality Strategy, withhold requirements and value based purchasing targets
- Improved use of care management
- Improved requirements for network access, prompt pay, and prior authorization

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