



BUILDING FOR OHIO'S NEXT GENERATION

BUDGET OF THE STATE OF OHIO · FISCAL YEARS 2018–2019

BUILDING ON OHIO'S HEALTH CARE TRANSFORMATION

Continuing Reforms, New Budget Initiatives Make Ohio a Healthier Place to Live and Work

Under Governor John R. Kasich's leadership, Ohio has been recognized nationally for implementing transformative health care policies that have helped to reduce costs, improve health outcomes and strengthen care coordination. The Executive Budget continues to embrace fiscally responsible and innovative reforms that build on the progress made since 2011 so Ohioans can live healthier, more productive lives, and our state's economy has the healthy workforce needed to grow stronger.

CONTINUING TO MODERNIZE OHIO'S MEDICAID PROGRAM: Ohio Medicaid spending per member has been held flat over the past six years thanks to innovative changes that have made Ohio's program a national model. The Executive Budget continues to modernize one of state government's largest expenditures to control growth and improve care delivery.

- **Strengthening Personal Responsibility:** Most Ohioans who receive Medicaid benefits are not charged a premium to help cover their health care costs. In 2017, Ohio Medicaid will seek approval from the federal Centers for Medicare and Medicaid Services (CMS) to require childless, non-pregnant adults with incomes above poverty to pay a monthly premium to the program. Premiums are estimated at approximately \$20 per month and will be capped not to exceed 2 percent of household income. As an individual's financial situation improves, paying a premium will help prepare them for a successful transition from Medicaid to a private health insurance plan. The Executive Budget assumes CMS approval of this proposal and projects a taxpayer savings of more than \$200 million over the biennium.
- **Better Care Coordination for More Ohioans:** Because it both helps to get costs under control and improves the quality of care, Ohio has made improving care coordination for those on Medicaid a top priority. Today, almost 90 percent of Ohioans enrolled in Medicaid receive care through a private-sector managed care plan. Ironically, Medicaid enrollees with the most complex needs – those who could benefit most from care coordination – are excluded from managed care. Beginning July 2018, the Executive Budget requires Ohio Medicaid to enroll these remaining populations in managed care, while giving individuals served through the Department of Developmental Disabilities (DODD) the ability to opt into managed care.
- **Reforming Medicaid's Prescription Drug Programs:** The Executive Budget includes several reforms aimed at controlling prescription drug costs within the Medicaid program, which are estimated to save taxpayers more than \$40 million over the biennium.
- **Supporting Ohioans with Developmental Disabilities:** The Executive Budget invests an additional \$122 million over the next two years – on top of the historic \$286 million invested in the last budget – to further increase opportunities for individuals with disabilities who want to live in the community.
 - **Using Technology to Support Community Living:** DODD is exploring the use of technology to reduce reliance on direct care staff. Currently, 170 individuals with a developmental disability rely on remote monitoring technology, and anecdotal reports indicate the use of remote monitoring has resulted in reduced costs and greater satisfaction from both a health and safety perspective. The Executive Budget includes plans to increase the use of remote monitoring to 600 individuals within two years.

- Increasing Opportunities for Individuals to Receive Services in the Community: The Executive Budget expands support for individuals who wish to receive services in the community by creating an additional 300 Individual Option (IO) waivers for individuals who want to avoid placement in or leave an Intermediate Care Facility (ICF), and another 700 IO waivers and 300 Self-Empowered Life Funding (SELF) waivers to further reduce waiting lists for community services.
- Expanding Services for Youth with Complex Needs: In 2016, DODD entered into a grant agreement with Oesterlen Services for Youth to address growing concerns about youth with complex needs served by multiple state systems, and the need to improve outcomes for those youth. The Executive Budget supports continued funding for the Oesterlen pilot project, plus funding for an additional pilot program.
- **Modernizing Ohio's ICF Reimbursement System**: Ohio's ICF reimbursement system is over 20 years old and in need of restructuring. As Ohio has worked to provide more community-based options for individuals with developmental disabilities, the residents who remain in ICFs are likely to have the greatest needs. The Executive Budget recognizes this dynamic and proposes to modernize ICF reimbursement to support residents with greater needs, ultimately increasing the ICF reimbursement rate 2.5 percent in 2019.

ADDRESSING OHIO'S GREATEST HEALTH NEEDS: The Executive Budget includes a number of reforms aimed at tackling Ohio's toughest public health problems.

- **Reducing Infant Mortality**: The Executive Budget includes \$41 million over the biennium to support initiatives aimed at improving birth outcomes and reducing racial and ethnic disparities in infant mortality. Through the Ohio Department of Health and Ohio Medicaid, efforts to increase home visiting capacity in at-risk neighborhoods, provide transportation services to pregnant mothers, and promote infant safe sleep practices, among others, will maintain strong funding. The Executive Budget's \$41 million investment includes a \$6 million increase over the biennium to support intensive community based pilot programs, such as smoking cessation and safe sleep interventions, and a new pilot for opiate-addicted pregnant women.
- **Fighting Drug Abuse**: Ohio invests nearly \$1 billion each year to help fight drug abuse and addiction. The Executive Budget includes new initiatives aimed at preventing and combatting drug abuse, and maintains Ohio's strong funding commitment to provide continued access to health care for many Ohioans struggling with addiction, plus other necessary treatment and recovery supports.
- **Improving Children's Academic Performance through Better Health Care**: Gaps in children's health care can be predicted by examining absenteeism, kindergarten readiness assessments, Third Grade Reading Guarantee assessments and high school graduation rates. The Executive Budget includes new financial incentives for Medicaid managed care plans to find and close gaps in children's health care in an effort to improve academic performance by supporting better overall health.
- **Supporting Public Health Accreditation**: The Executive Budget accelerates the significant recent progress made to ensure every Ohioan has access to accredited public health services by providing an additional \$8 million over the next two years for local health districts that are making progress toward Public Health Accreditation Board (PHAB) accreditation.
 - Doubling the State Subsidy for Accredited Health Districts: The Executive Budget doubles the state subsidy for any district that achieves PHAB accreditation.
 - Helping Health Districts Achieve Accreditation: Small health districts may not have the capacity to achieve PHAB accreditation without merging with another health district. The Executive Budget supports districts that want to merge by providing funding for accreditation fees, accreditation coordination, and other infrastructure costs.

SMARTER GOVERNMENT TO BETTER SERVE OHIOANS: The Executive Budget continues to promote the most efficient use of resources in order to best serve the needs of Ohioans.

- **Modernizing Medical Professional Licensing Boards and Ensuring Compliance with Antitrust Laws:** The Executive Budget resolves Ohio’s current vulnerability to an antitrust lawsuit by establishing a third-party review process by the Department of Administrative Services, which will be triggered when a board action has the potential to violate state or federal antitrust law. The Executive Budget also consolidates and realigns several of the state’s medical licensing boards, achieving a net reduction of eight boards while updating the structure to better align with modern clinical standards and practices.
- **Using Innovation and New Technologies to Improve Transportation for Those Seeking Health Services:** Ohio will modernize its existing non-emergency medical transportation system for Ohioans seeking medical treatment.
- **Using Technology to Improve Ohio’s Benefit Eligibility Systems:** The Executive Budget continues the work to simplify and automate Ohio’s benefit eligibility systems, and add more capability to Ohio Benefits – an online system where Ohioans can apply for benefits. By transforming how Ohioans seek benefits and replacing trips to county offices with an online option, Ohio Benefits has already processed two million cases without manual intervention.
 - Helping Counties Share Services: Thanks to new streamlined capabilities made possible through the online Ohio Benefits system, 56 counties have committed to a County Shared Services model that encourages them to work collaboratively across county lines within virtual service centers, and discussions are underway for an additional 13 counties to join the model. The Executive Budget supports implementation of a comprehensive Enterprise Workflow and Document Management solution that will provide all 88 counties with an efficient means to share documents and caseloads across county lines.
 - Transitioning Additional Income-Tested Programs to Ohio Benefits: The Executive Budget requires eligibility applications and renewals for more than 1.7 million Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) recipients to be supported through Ohio Benefits. In addition, a plan will be developed to migrate other income-tested programs onto Ohio Benefits over the next two years, including child care programs and the Women, Infants and Children (WIC) program.

BOTTOM LINE: With new initiatives, innovative policy reforms and the commitment of additional resources, the Executive Budget continues the historic transformation of Ohio’s health care system begun by Gov. Kasich in 2011. By continuing to modernize Ohio’s Medicaid program in the face of changing federal priorities and finding smarter ways to serve those with health care needs, we’re making Ohio a healthier place to live and work.

