



**Joint Legislative Committee for Unified Long-Term Care Services and Supports
Testimony of John McCarthy, Medicaid Director
Office of Ohio Health Plans, Ohio Department of Job and Family Services
September 28, 2011**

Chairman McClain, Chairwoman Jones, and members of the Joint Legislative Committee for Unified Long-Term Care Services and Supports, I am John McCarthy, Ohio's Medicaid director. Thank you for the opportunity to speak today regarding specific policy areas the Office of Ohio Health Plans is pursuing with passage of House Bill 153 (Amstutz, 129th General Assembly).

Specifically, my comments will focus on:

1. The integration of care for individuals eligible to receive services from both Medicare and Medicaid, otherwise known as dual eligibles, and
2. The creation of a single home and community-based waiver.

Dual Eligibles

In February of 2011, Ohio submitted a grant proposal to the Centers for Medicare and Medicaid Services (CMS) seeking planning funding for a demonstration project to integrate care for individuals eligible to receive services from both Medicare and Medicaid. That proposal was not among those chosen to receive funding. However, Ohio has decided to proceed with the development of an integrated care delivery system, which would have the same goals and follow the same parameters outlined in the grant proposal. A copy of the original grant proposal is attached to my testimony and is also available on the Office of Health Transformation (OHT) website for review.

The creation of an integrated care delivery system will result in a health care delivery system that meets and exceeds the expectations of the population being served. It will do this by:

- Providing a single point of contact for those receiving services,
- Improving individual care coordination via a person-centered, team-oriented delivery system that holistically addresses individuals' needs in a setting they choose,
- Providing a delivery system that is easy to navigate for both the individual and the provider,
- Reducing the overall cost of care, which will benefit the individual, Medicare and Medicaid, and

- Providing a seamless transition between settings and programs as the needs of the individual change.

This project will include all those eligible to receive services and/or currently receiving services from both Medicare and Medicaid. That includes:

- Individuals living in nursing homes,
- Individuals receiving services via home and community-based waivers,
- Individuals with severe and persistent mental illness,
- Certain disabled children being served by Ohio's fee-for-service program, and
- Any other dually eligible beneficiaries.

A project such as this requires significant stakeholder outreach and involvement. To that end, the department has begun to reach out to stakeholders in a number of ways. We have provided an initial briefing to the OHT cabinet members and the Unified Long-Term Care Workgroup. More briefings and meetings will be held over the coming months to continue the outreach to those most affected by and interested in this project. We have also developed a Request for Information (RFI), which went live on the ODJFS website on September 16, 2011. Stakeholders and other interested parties have 30 days to respond to the RFI. The RFI will give them the opportunity to tell us what they think an integrated care delivery system should look like and how their design would meet the needs of dually eligible individuals, including how one entity will be accountable for the full continuum of care for Medicare and Medicaid enrollees.

CMS has been very clear that they want to see integrated programs incorporating physical, behavioral, and long-term care services, to ensure that the individual has a seamless, comprehensive care experience. To promote this approach, CMS has offered states the option of choosing from two pilot programs. One of the pilots is a capitated payment model utilizing a three-way contract between the state, CMS and a health plan. The other is a managed fee-for-service model built on an existing fee-for-service delivery system. States were required to submit letters of intent by October 1, 2011, to be eligible to participate in the pilot programs. We have submitted a letter of intent to CMS but have not chosen a specific model at this point. Submitting the letter of intent does not commit us to any particular course of action. A state can opt to withdraw from consideration if it decides that neither of the options is to its liking. A copy of the letter of intent is attached to my testimony.

A new integrated care delivery system could be based on one or more of the following models:

- Managed Care Plans, including Special Needs Plans,
- Accountable Care Organizations, including Pediatric Accountable Care Organizations,
- Health Homes,
- Primary Care Case Management, and
- Other models or options.

All of these models offer the integration and coordination of health care services that are desired in a delivery system. While some of the models are more comprehensive in scope, others serve very specific populations. Although we anticipate choosing one primary or comprehensive model, we realize we may also use other models to reach specific populations or geographical locations. No matter which models are chosen, the expectations remain the same.

Our goal is to complete the initial implementation of the new integrated care delivery system by September 2012. According to an August 2011 Special Needs Consulting Services report, for every 1 percent of savings in annual fee-for-service costs for dual eligibles, Ohio will save more than \$100 million. This reflects combined savings for Medicare and Medicaid.

Single Waiver

The administration is also pursuing the consolidation of five home and community-based waivers in an effort to create one seamless program for eligible consumers. Doing so will both improve access to services for customers and create efficiencies to the state by streamlining program administration. As you can see from the waiver chart attached to my testimony, the current choices can be very complicated to navigate. The different programs have different benefit packages, cost caps and eligibility criteria, and they serve different populations with varying care needs.

A unified waiver will offer a broad array of services capable of meeting individuals' needs "where they are," without requiring them to enroll in multiple programs. For example, an Ohio Home Care Waiver consumer who would benefit from assisted living services currently must disenroll from the Home Care waiver to apply for and enter the Assisted Living waiver. Under the unified model, assisted living or other services may be available through the waiver's existing service package.

ODJFS and the Ohio Department of Aging are planning to implement a unified waiver program by July 1, 2012; however, the state still needs federal approval for this. We anticipate submitting the waiver application by March 2012. We have solicited input from the members of the Unified Long-Term Care Workgroup and have already been approached by stakeholders representing consumers, managed care organizations, nursing homes, and other long-term care waiver groups.

Thank you for the opportunity to testify regarding the progress of these initiatives. I'll be happy to answer any questions.