



# Ohio JMOC

2018 Big Picture Kick-Off Meeting

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**JANUARY 25, 2018**

# Agenda

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- JMOC Role
- Four Determinants of Risk
  - Program Design
  - Benefit Package
  - Population
  - Delivery Network
- SFY 2017 Actual Experience
- Questions?

## JMOC Role – Rate of Growth

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- JMOC rate of growth: annual % growth vs. the average annual % growth rate over the biennium
- How can ODM and JMOC continue to work to control the rate of growth?
  - Semi-annual joint review with ODM to recap and understand the effect of initiatives on cost curve:
    - *Was it implemented on time?*
    - *Did the expected impact come to fruition?*
    - *How impactful was it?*

# Four Determinants of Risk

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- Program Design – How?
  - How is the program structured?
- Target Population – Who?
  - Who will enroll in the program?
- Benefit Package – What?
  - What types of services will be offered?
- Service Delivery Network – Where?
  - Where will the services be delivered?



These are the  
policy levers

# Program Design – Managed Care vs. FFS

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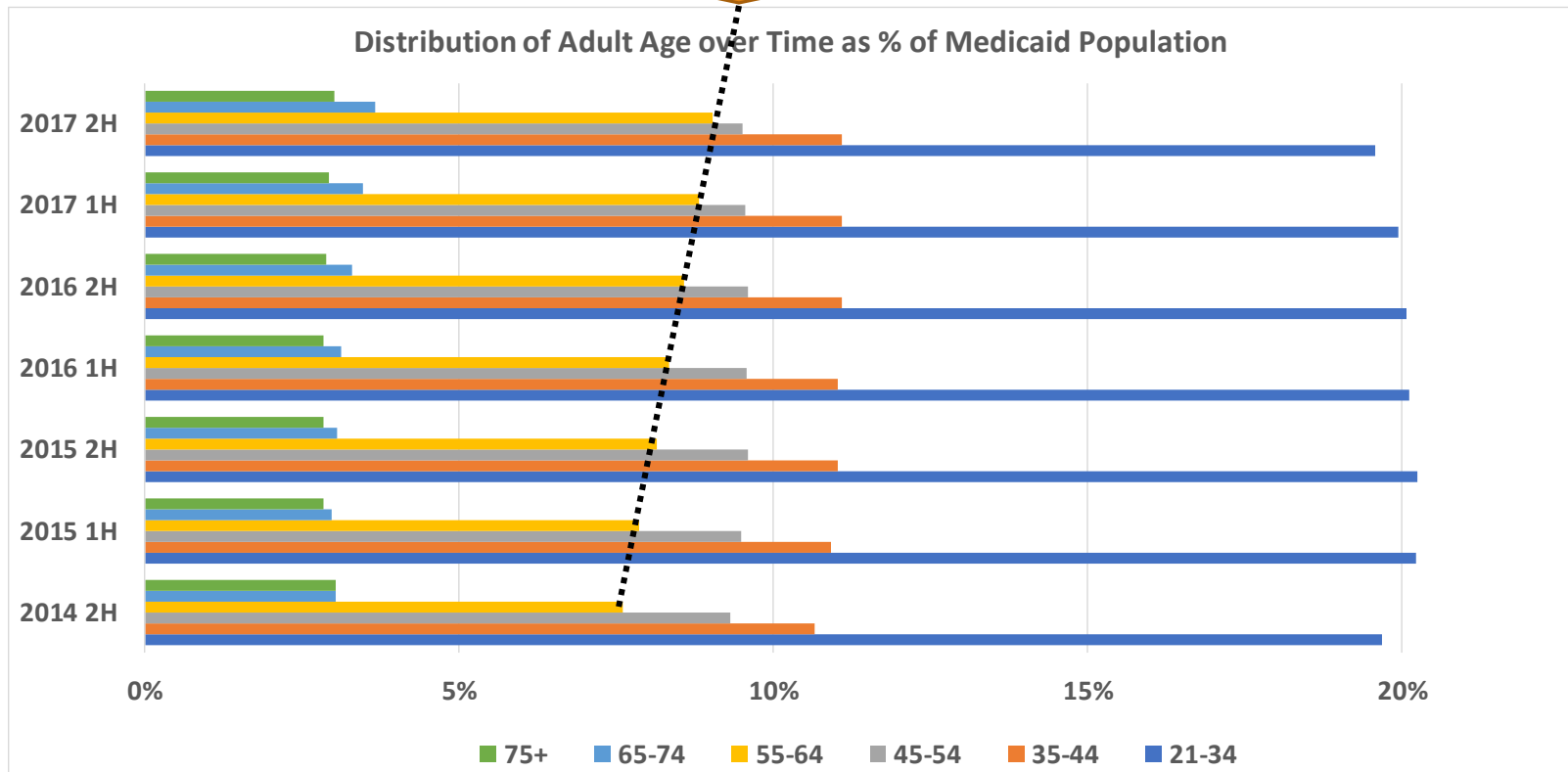
- Overview of Ohio Medicaid Managed Care:
  - Population: 84% enrolled in Managed Care<sup>1</sup>
  - Costs: 61% of claims in Managed Care delivery system<sup>2</sup>
- Not a one-time savings:
  - Managed Care efficiencies including care management and utilization activities geared towards *curbing cost growth* and *improving quality*
- Capitation rates include withholds and incentives, tied to HEDIS measures:
  - Withholds: 2% for Non-MyCare, 3% for MyCare
  - Incentives: Dollar pool based amount of withhold that does not get earned back (non-MyCare)

<sup>1</sup> Based on December 2017 Caseload Report

<sup>2</sup> Based on SFY 2017 FFS claims and MCP encounter data (unadjusted for underreporting)

# Population – Enrollment Distribution by Age

Age 55-64 growing: Consider if new enrollees are expected to have higher or lower cost profiles than existing enrollees



# Benefit Package – Hospital and Nursing Facility

- Highest proportion of spend at two provider types:
  - Hospital spend (Inpatient and Outpatient) is 26-27% of total Medicaid expenditures
    - Each 1% growth in Hospital spending results in ~.25% program-wide PMPM growth, or \$50-55M annually
  - Nursing Facility spend is 12-13% of total Medicaid expenditures
    - Each 1% growth in NF spending results in .1% program-wide PMPM growth, or \$25-30M annually

# Delivery Network – Long-Term Support Services

- Two primary LTSS delivery settings
- Nursing Facility and Waiver
  - Savings can be achieved via Nursing Facility avoidance and diversion:

Setting of Care	PMPM	Member Mix 1	Member Mix 2
NF	\$ 5,500	50%	49%
Waiver	\$ 2,700	50%	51%
<b>Total</b>		<b>\$ 4,100</b>	<b>\$ 4,072</b>
		Impact:	<b>-0.7%</b>

- These are key factors to keep in mind when considering LTSS policy changes



# Delivery Network – Behavioral Health

What is ODM doing to incentivize integration?

- Move to integrated Managed Care (Physical Health and Behavioral Health) is most effective with provider integration
  - Members with high behavioral health needs typically have high physical health costs in the Inpatient and Emergency Room settings

# SFY 2017 Experience

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# SFY 2017 – Program-Wide Experience

Component	SFY 2015	SFY 2016	\$ Difference	% Difference
Medicaid PMPM	\$ 586	\$ 591	\$ 5	0.9%
Medicare Payments	\$ 20	\$ 21	\$ 1	0.2%
<b>Total</b>	<b>\$ 606</b>	<b>\$ 613</b>	<b>\$ 6</b>	<b>1.1%</b>

Component	SFY 2016	SFY 2017	\$ Difference	% Difference
Medicaid PMPM	\$ 591	\$ 597	\$ 6	1.0%
Medicare Payments	\$ 21	\$ 28	\$ 6	1.0%
<b>Total</b>	<b>\$ 613</b>	<b>\$ 625</b>	<b>\$ 12</b>	<b>2.0%</b>

- Half of the growth in SFY 2017 is due to additional payments (Medicare Buy-In and Part D Clawback)
  - These are largely General Revenue Fund expenditures

1) Figures above are not case-mix adjusted

2) Figures above omit expenditures not tied to an individual, consistent with those omitted in JMOC biennial rate of growth projections: All-Agency State Administration, Hospital Care Assurance Program (HCAP), Hospital Upper Payment Limit (UPL), Federal Health Insurance Providers Fee, Managed Care Pay for Performance (P4P), and Other settlements/rebates outside of the claims system and outside of managed care capitation rates.



# SFY 2017 – Program-Wide Experience

COA	PMPM			Percent Change	
	SFY 2015	SFY 2016	SFY 2017	SFY 2016/SFY 2015	SFY 2017/SFY 2016
CFC Kids and Adults	\$ 299	\$ 301	\$ 296	0.6%	-1.6%
Expansion	\$ 536	\$ 560	\$ 575	4.3%	2.8%
ABD Kids	\$ 1,398	\$ 1,689	\$ 1,777	20.9%	5.2%
ABD Adult	\$ 2,150	\$ 2,298	\$ 2,225	6.9%	-3.2%
Dual	\$ 2,303	\$ 2,344	\$ 2,048	1.8%	-12.6%
Other	\$ 68	\$ 79	\$ 60	16.2%	-23.8%
<b>Total</b>	<b>\$ 586</b>	<b>\$ 591</b>	<b>\$ 597</b>	<b>0.9%</b>	<b>1.1%</b>

- PMPMs reflect Fee-for-Service plus Managed Care population's payments

# SFY 2017 – Program-Wide Experience

COA	SFY 2015		SFY 2016		SFY 2017		Percent Change	
	MMs	PMPM	MMs	PMPM	MMs	PMPM	SFY 2016/ SFY 2015	SFY 2017/ SFY 2016
MyCare Dual	1,132,083	\$ 2,174	1,104,776	\$ 2,125	1,203,252	\$ 2,008	-2.3%	-5.5%
FFS - Dual LTSS	837,850	\$ 3,697	831,581	\$ 3,744	868,773	\$ 3,856	1.3%	3.0%
FFS - Dual Non LTSS	533,632	\$ 389	501,146	\$ 502	849,326	\$ 255	29.3%	-49.2%
<b>Non Mix-Controlled</b>		<b>\$ 2,303</b>		<b>\$ 2,344</b>		<b>\$ 2,048</b>	<b>1.8%</b>	<b>-12.6%</b>
<b>SFY 2017 Mix</b>		<b>\$ 2,108</b>		<b>\$ 2,135</b>		<b>\$ 2,048</b>	<b>1.3%</b>	<b>-4.1%</b>

- PMPMs above reflect break-out of MyCare and FFS-enrolled Dual populations.
  - This highlights the impact of the change in FFS-enrolled mix of LTSS and non-LTSS.
  - Note that MyCare rates reduced ~6% between CY15 and CY16, largely driven by base data ‘re-base’ and reduction due to physician cross-over reimbursement change

# SFY 2017 – Managed Care Service Costs

COA	COS	PMPM			Percent Change	
		SFY 2015	SFY 2016	SFY 2017	SFY 2016/SFY 2015	SFY 2017/SFY 2016
Non-MyCare	Inpatient Hospital	\$ 83	\$ 89	\$ 92	7.9%	2.4%
Non-MyCare	Outpatient Hospital	\$ 43	\$ 45	\$ 46	4.2%	3.3%
Non-MyCare	Physician/Lab	\$ 61	\$ 65	\$ 68	5.4%	4.4%
Non-MyCare	Prescribed Drugs	\$ 80	\$ 92	\$ 98	14.7%	7.4%
Non-MyCare	All Other Services	\$ 28	\$ 29	\$ 29	4.6%	-0.6%
<b>Non-MyCare</b>	<b>Total</b>	<b>\$ 295</b>	<b>\$ 320</b>	<b>\$ 333</b>	<b>8.3%</b>	<b>4.1%</b>
<b>MyCare</b>	<b>Total</b>	<b>\$ 1,765</b>	<b>\$ 2,159</b>	<b>\$ 2,377</b>	<b>22.3%</b>	<b>10.1%</b>

- PMPMs reflect Managed Care claim expenditures (unadjusted for underreporting)

# SFY 2017 – FFS Spend for MC Population

Fiscal Year	PMPM		
	SFY 2015	SFY 2016	SFY 2017
Community AOD	\$ 7	\$ 9	\$ 12
Community MH	\$ 18	\$ 18	\$ 19
All Other FFS Services	\$ 6	\$ 6	\$ 7
<b>All Services</b>	<b>\$ 31</b>	<b>\$ 34</b>	<b>\$ 38</b>

PMPM - Percent Change	SFY 2016/SFY 2015	SFY 2017/SFY 2016
Community AOD	33.4%	26.4%
Community MH	4.3%	5.4%
All Other FFS Services	1.4%	7.4%
<b>All Services</b>	<b>10.4%</b>	<b>11.5%</b>

- Rounded PMPMs and percentages are reflective of the non-MyCare MC population claim expenditures

# Questions?

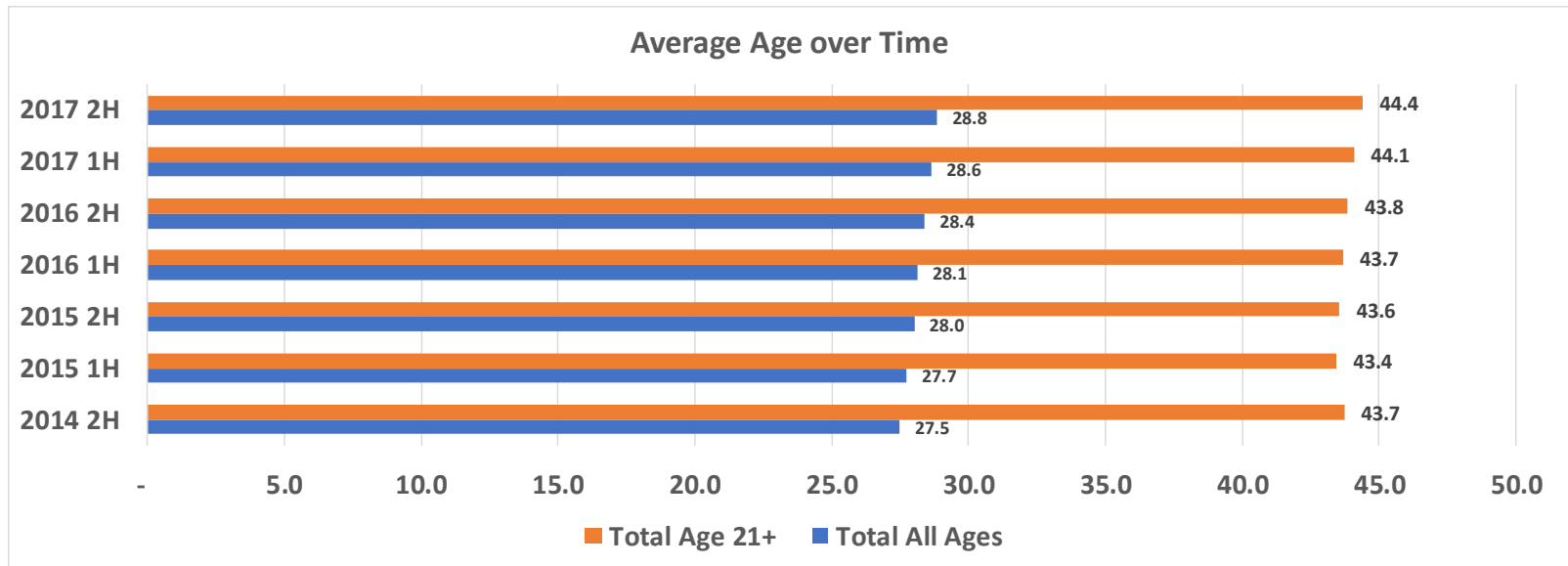
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# Appendices

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# Appendix II: Population – Published Statistics



# Appendix III: SFY 2017 – MC Pharmacy Spend

COA	COS	PMPM			Percent Change	
		SFY 2015	SFY 2016	SFY 2017	SFY 2016/SFY 2015	SFY 2017/SFY 2016
CFC Kids	Prescribed Drugs	\$ 30	\$ 34	\$ 36	11.3%	7.5%
CFC Adult	Prescribed Drugs	\$ 79	\$ 86	\$ 93	8.3%	8.7%
Expansion	Prescribed Drugs	\$ 105	\$ 136	\$ 152	29.4%	11.4%
ABD Kids	Prescribed Drugs	\$ 175	\$ 191	\$ 189	9.5%	-1.2%
ABD Adult	Prescribed Drugs	\$ 412	\$ 458	\$ 459	11.3%	0.1%
<b>Total - Non My-Care</b>	<b>Prescribed Drugs</b>	<b>\$ 80</b>	<b>\$ 92</b>	<b>\$ 98</b>	<b>14.7%</b>	<b>7.4%</b>

COA	COS	SFY 2015	SFY 2016	SFY 2017	SFY 2016/SFY 2015	SFY 2017/SFY 2016
Non-MyCare - Util./1,000	Prescribed Drugs	15,768	17,250	17,590	9.4%	2.0%
Non-MyCare - Unit Cost	Prescribed Drugs	\$ 61	\$ 64	\$ 67	4.8%	5.4%
<b>Total - PMPM</b>	<b>Prescribed Drugs</b>	<b>\$ 80</b>	<b>\$ 92</b>	<b>\$ 98</b>	<b>14.7%</b>	<b>7.4%</b>

- Expenditures based on Managed Care encounter data
  - Note: SFY 2015 reflects first full year of Medicaid Expansion. This includes changes in population acuity/enrollment duration, which can lead to wide swings between SFY 2015 and SFY 2016