

# Health Policy Basics

Understanding and influencing state health policy

**Cleveland, Ohio**

Nov. 18, 2019

# Medicaid basics

Zach Reat



Loren Anthes



# 3 key takeaways

- 1. Ohio Medicaid is big.** The program provides health insurance to more than 2.8 million Ohioans.
- 2. Ohio Medicaid is a significant investment.** Ohio's total spending for the program in SFY2019 was \$26.8 billion dollars.
- 3. Ohio Medicaid is changing.** Ohio policymakers are considering different approaches to manage the program's size and cost.

# Ohio Medicaid Basics 2019

Medicaid pays for healthcare services for about three million Ohioans with low incomes, including more than 1.2 million children. Medicaid spending accounts for more than one-third of Ohio's budget and almost 17% of health expenditures nationally.<sup>1</sup>

This publication provides an overview of Ohio's Medicaid program, including eligibility, covered services, delivery systems, financing and spending.

## Who is eligible for Medicaid coverage?

Ohio Medicaid pays for healthcare services for children, older adults, pregnant women, parents, childless adults and individuals with disabilities, all with incomes below a specific amount (see figures 1 and 2).<sup>2</sup> It is important to note that eligibility differs by state.

For most enrollees, the income eligibility limit is set as a percentage of the Federal Poverty Level (FPL) and eligibility is based on household Modified Adjusted Gross Income (MAGI).<sup>3</sup> Some Medicaid eligibility categories, including Aged, Blind and Disabled (ABD), use different income counting rules and have resource limits (i.e., assets such as cash, stocks, bank accounts and property).

To be eligible for Medicaid in Ohio, a person must meet other requirements in addition to income limits. At a minimum, a person must have, or apply for, a Social Security number, be a U.S. citizen or meet Medicaid requirements for people who are not U.S. citizens (i.e., legal permanent residents, refugees and asylees)<sup>4</sup> and be an Ohio resident.<sup>4</sup>

Figure 1. Federal poverty level (FPL), by household size, 2019

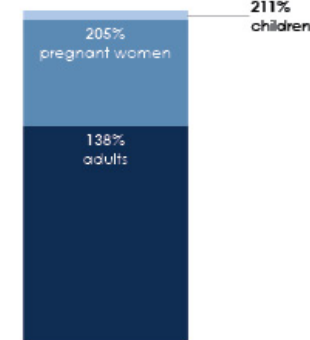
	100%	138%	205%	211%	280%	400%
1	\$12,490	\$17,236	\$25,605	\$26,354	\$31,225	\$49,960
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4	\$25,750	\$35,535	\$52,788	\$54,333	\$64,375	\$103,000

Note: Refers to federal poverty levels for the 48 contiguous states and the District of Columbia (D.C.).  
Source: Office of the Assistant Secretary for Planning and Evaluation. Additional analysis by the Health Policy Institute of Ohio.

## 3 key findings for policymakers

- Ohio Medicaid provides access to healthcare services for about three million low-income Ohioans, including many who cannot access or afford private or employer-sponsored health insurance.
- Medicaid represents a significant portion of government spending in Ohio. Federal reimbursements accounted for approximately 68% of total spending by Ohio Medicaid in state fiscal year 2018.
- To improve health value in Ohio, state policymakers need to balance Medicaid's critical role in providing access to health care with budgetary and administrative challenges.

Figure 2. Ohio Medicaid income eligibility thresholds for MAGI-categories, by FPL<sup>4</sup>, 2019



Source: Ohio Department of Medicaid

## Ohio Medicaid Basics update Recent trends in enrollment and spending

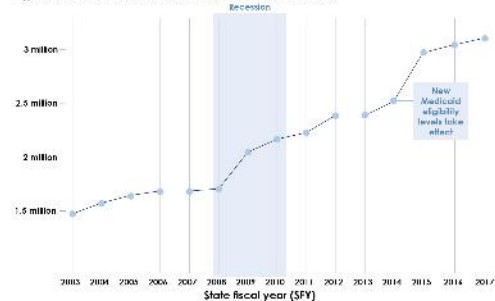
Medicaid pays for medical services for people with low incomes. The program is financed jointly by the federal government and states. Between 2008 and 2016, the annual net federal Ohioans has decreased from 11.4 percent to 8.6 percent.<sup>1</sup> During the similar time period of State Fiscal Year (SFY) 2005 to SFY 2017, the number of people enrolled in Medicaid increased by 89 percent and spending increased by 86 percent.<sup>2</sup>

This is a brief update to the Health Policy Institute of Ohio's biennial publication, *Ohio Medicaid Basics* 2017. It provides new data about enrollment and spending during SFYs 2017 and 2018 and describes connections between enrollment and spending growth in Ohio's Medicaid program.

### Enrollment changes during SFY 2017

During SFY 2017, total average monthly Medicaid enrollment in Ohio increased by about 2 percent over SFY 2016, from 3.039 to 3.091 million people (see figure 1).

Figure 1. Ohio Medicaid enrollment trend, 2003-2017



Note: ODM enrollment report is updated each month to reflect new enrollees and disenrollment. All averages for 2017-2018 were derived from the January 2018 report. Source: 2017-2018 Ohio Medicaid Enrollment and Spending Report, published May 2018. Source: 2017-2018 Ohio Medicaid Enrollment and Spending Report, published May 2018. Source: 2017-2018 Ohio Medicaid Enrollment and Spending Report, published May 2018.

# Ohio Medicaid Basics 2017

## Introduction

Medicaid pays for medically necessary healthcare services for over three million Ohioans and is the primary source of coverage for low-income Ohioans who generally do not have access to or cannot afford other health insurance coverage. The program also pays for services for people who are elderly and disabled, including long-term services and supports that are not covered by Medicare and most private health insurance coverage.<sup>1</sup> As a healthcare payer for one in four Ohioans, Medicaid enables improved access to care, as well as treatment of chronic health conditions (including mental health conditions), injuries, illnesses and addictions. Medicaid also pays for preventive care, prescription drugs and screenings.

While there is evidence that Medicaid coverage improves access to care,<sup>2</sup> it is important to note that overall health is influenced by a number of other factors. Research estimates that of the modifiable factors that influence overall health outcomes, 80 percent is attributed to non-clinical factors including our social, economic and physical environments, as well as our health behaviors, and only 20 percent is attributed to clinical care (see figure 1).<sup>3</sup> This indicates that access to quality clinical care is necessary, but not sufficient, to improving overall health.

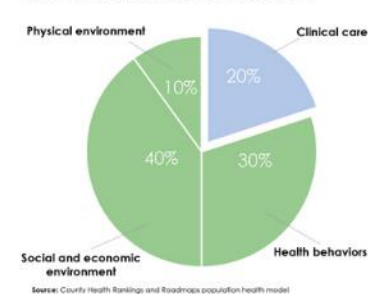
## Medicaid and the U.S. healthcare system

Medicaid is financed jointly by the federal government and states, including some local-level funding to support the state share.

Medicaid accounted for 17 percent of U.S. total healthcare expenditures in 2015, making the program the second-largest payer of healthcare services in terms of total expenditures.<sup>4</sup> Through Medicare, Medicaid and the Federal Employees Health Benefit Plan, the federal government is the largest payer for healthcare services in the country, and because of this, often drives change and industry innovation, particularly through new payment rates and models.<sup>5</sup>

At the state level, the Ohio Department of Medicaid (ODM) and the managed care plans under contract with ODM are important partners in payment reform initiatives led by the Governor's Office of Health Transformation (OHT) (see "Playing for value in Medicaid" beginning on page 10 of this publication).

Figure 1. Modifiable factors that influence health



Source: County Health Rankings and Roadmap population health model

In October 2018, the state of Ohio issued a report on the P4P program. Until last year, P4P in Ohio tied six measures to a P4P payment out of the 90 plus measures that comprise HEDIS and, depending on achievement in those measures, MCOs were eligible for a bonus payment. These measures were:

- Follow-up after Mental Health Hospitalization within 7 days
- Timeliness of Prenatal Care
- Postpartum Care
- Controlling High Blood Pressure
- Diabetes: HbA1c Poor Control (>9.0%)
- Adolescent Well-care

Ohio tracks a total of 44 HEDIS measures and 15 CAHPS measures. Nineteen HEDIS measures are evaluated in the context of the population streams but, depending on how an MCO performed in the six P4P measures, MCOs were eligible for a bonus payment worth up to 1.25 percent of their total capitation which can be worth tens of millions based on a sliding scale. Looking at the data from the program's inception in 2013, we see the following:

Table 2: Ohio's P4P Program

OHIO'S PAY FOR PERFORMANCE PROGRAM 2013 - 2018								
Award   Millions of Dollars	2013	2014	2015	2016	2017	2018	TRENDS	
Buckeye Community Health Plan	\$ 3.4	\$ 1.6	\$ 2.1	\$ 4.7	\$ 8.5	\$ 13.2		
CareSource	\$ 17.0	\$ 7.4	\$ 13.4	\$ 25.1	\$ 20.8	\$ 29.0		
Malina Healthcare of Ohio	\$ 4.9	\$ 4.0	\$ 9.8	\$ 7.5	\$ 6.2	\$ 9.1		
Paramount Advantage	\$ 2.1	\$ 1.8	\$ 3.1	\$ 7.2	\$ 6.2	\$ 8.8		
United Healthcare Community Plan of Ohio	\$ 1.8	\$ 0.6	\$ 1.7	\$ 4.1	\$ 5.5	\$ 5.8		
TOTALS	\$ 29.2	\$ 15.4	\$ 30.1	\$ 48.6	\$ 47.2	\$ 65.9		
Award   Percentage of Total Possible	2013	2014	2015	2016	2017	2018	TRENDS	
Buckeye Community Health Plan	42%	22%	16%	27%	48%	70%		
CareSource	39%	18%	22%	34%	27%	35%		
Malina Healthcare of Ohio	30%	32%	53%	30%	32%	40%		
Paramount Advantage	62%	45%	33%	50%	48%	62%		
United Healthcare Community Plan of Ohio	30%	10%	13%	24%	32%	32%		
AVERAGE	42%	25%	27%	35%	37%	48%		

All data from Ohio Department of Medicaid P4P Reports for State Fiscal Years 2013 - 2018.

The overall performance of MCOs relative to those P4P HEDIS measures went up and payment went up as well. As mentioned earlier, P4P is based on a sliding scale, where the minimum payment is made at

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# State Budgeting Matters

Volume 15  
Number 3  
October, 2019

## 2020-2021 State Budget, Ohio Department of Medicaid Loren Anthes Policy Fellow, Center for Medicaid Policy

## Status of Women Cuyahoga County



Demography Highlights	Cuyahoga	Ohio	Households with Children
Population of women <sup>a</sup>	658,368	%	5,923,675
Children (under age 18)	131,567	20.0%	21.7%
Childbearing Age (18-44)	218,542	33.2%	33.4%
Middle Age (45-64)	182,941	27.8%	27.3%
Senior (65+)	125,318	19.0%	17.6%
Race & Ethnicity	Count	%	%
White	407,642	61.9%	81.7%
Black/African-American	203,096	30.8%	12.6%
Other race reported	47,630	7.2%	5.8%
Hispanic/Latino (of any race)	35,478	5.4%	3.4%

Households with Children,  
Female Headed



Female-headed households are more than twice as likely as all Ohio households to live in poverty.

Educational Attainment		Higher educational attainment among women is associated with higher wages, lower rates of domestic abuse and healthier families.			
Less than HS	HS Diploma	Some College	Associate's	Bachelor's	Graduate
11%	28%	22%	8%	18%	13%

Workforce Indicators	Gender Wage Ratio	Civic Representation
<p><b>Labor Force Participation, by Age<sup>a</sup></b></p> <p>Labor force participation describes the proportion of people who are employed or seeking employment, compared to the total population in that age range.</p> <p>16-24: Female 66%, Male 62%</p> <p>25-44: Female 80%, Male 88%</p> <p>45-64: Female 70%, Male 75%</p> <p>65+: Female 14%, Male 22%</p>	<p>The median earned income for women is \$41,086. On average, women earn \$0.80 of every dollar that men earn in Cuyahoga County, and half of working women earn even less.</p> <p>About 1 in 4 Cuyahoga County STEM jobs – in science, technology, engineering or math – are held by women.</p>	<p><b>75%</b> of eligible women are registered to vote</p> <p><b>56%</b> of registered women voted in the 2018 election</p> <p><b>37%</b> of elected officials in the county are women</p>

<sup>a</sup> age ranges within this fact sheet reflect youth, childbearing years, middle and older age

Sources: 2017 ACS 5-Year Estimates; MatriotsOhio.com; TargetSmart

2019

www.CommunitySolutions.com

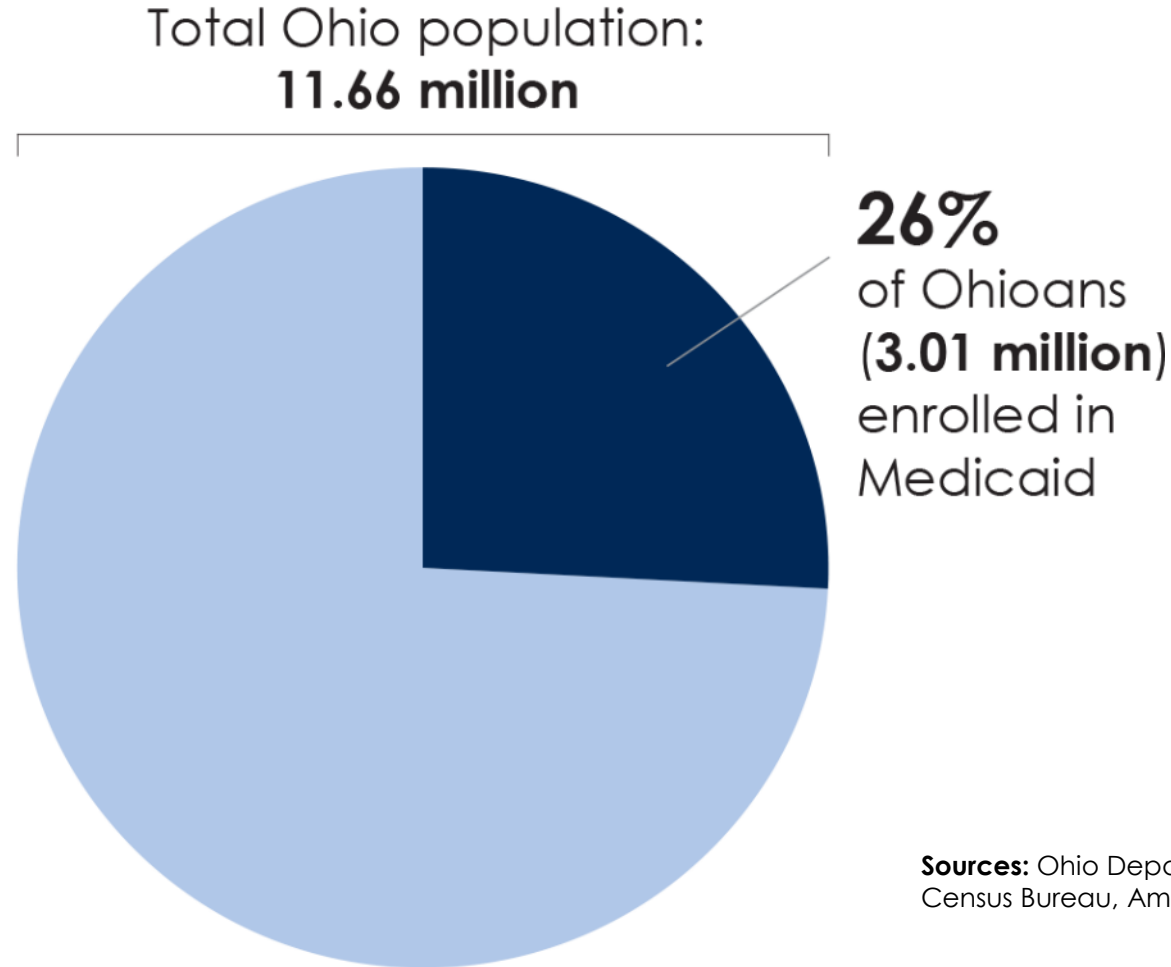
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# Covered groups

- Children
- Older adults
- Women who are pregnant
- Adults without dependents
- People with disabilities



# Estimated percent of Ohioans enrolled in Medicaid state fiscal year 2018



**Sources:** Ohio Department of Medicaid and U.S. Census Bureau, American Community Survey

# Eligibility

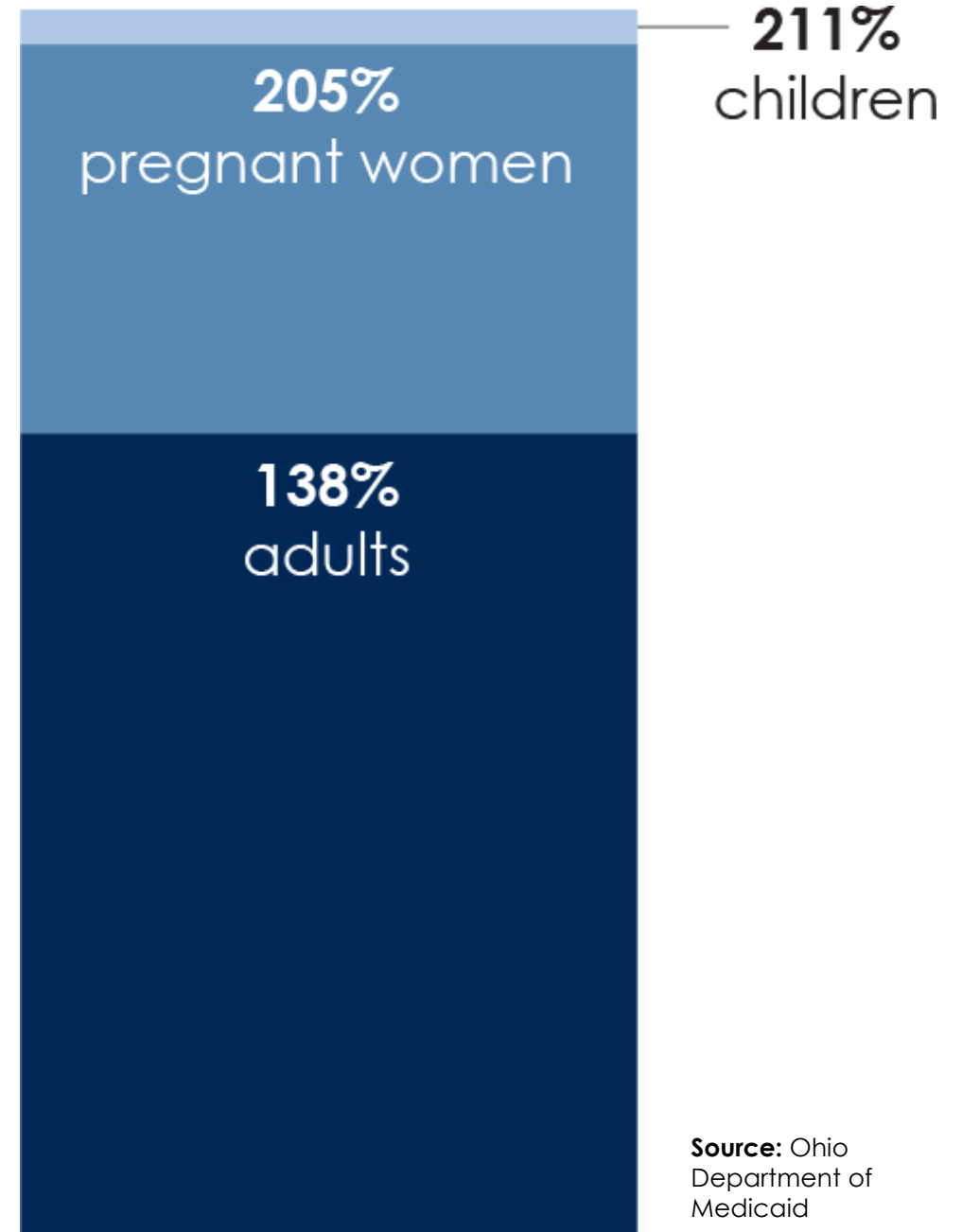
- Income

- Assets, such as stocks, bonds, real estate
- Household size
- Disability status and medical conditions (in some cases)
- Residence (state)
- Citizenship/immigration status



# Ohio Medicaid income eligibility thresholds for MAGI-categories

by percent of Federal Poverty Level, 2019



# Federal poverty level (FPL)

## by household size, 2019

	100%	138%	205%	211%	250%	400%
1	\$12,490	\$17,236	\$25,605	\$26,354	\$31,225	\$49,960
2	\$16,910	\$23,336	\$34,666	\$35,680	\$42,275	\$67,640
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4	\$25,750	\$35,535	\$52,788	\$54,333	\$64,375	\$103,000

**Note:** Refers to federal poverty levels for the 48 contiguous states and the District of Columbia (D.C.)

**Source:** Office of the Assistant Secretary for Planning and Evaluation. Additional analysis by the Health Policy Institute of Ohio.

# Federal poverty level (FPL)

by household size, 2019

## Scenario

- Four people in household
- Eligibility for children without other insurance (211% FPL)

	100%	138%	205%	211%
1	\$12,490	\$17,236	\$25,605	\$26,354
2	\$16,910	\$23,336	\$34,666	\$35,680
3	\$21,330	\$29,435	\$43,727	\$45,006
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**Note:** Refers to federal poverty levels for the 48 contiguous states and the District of Columbia (D.C.)

**Source:** Office of the Assistant Secretary for Planning and Evaluation. Additional analysis by the Health Policy Institute of Ohio.

# Federal poverty level (FPL)

by household size, 2019

## Scenario

- Single adult without dependents
- Eligibility for adults without dependents (138% FPL)

	100%	138%	205%	211%
1	\$12,490	\$17,236	\$25,605	\$26,354
2	\$16,910	\$23,336	\$34,666	\$35,680
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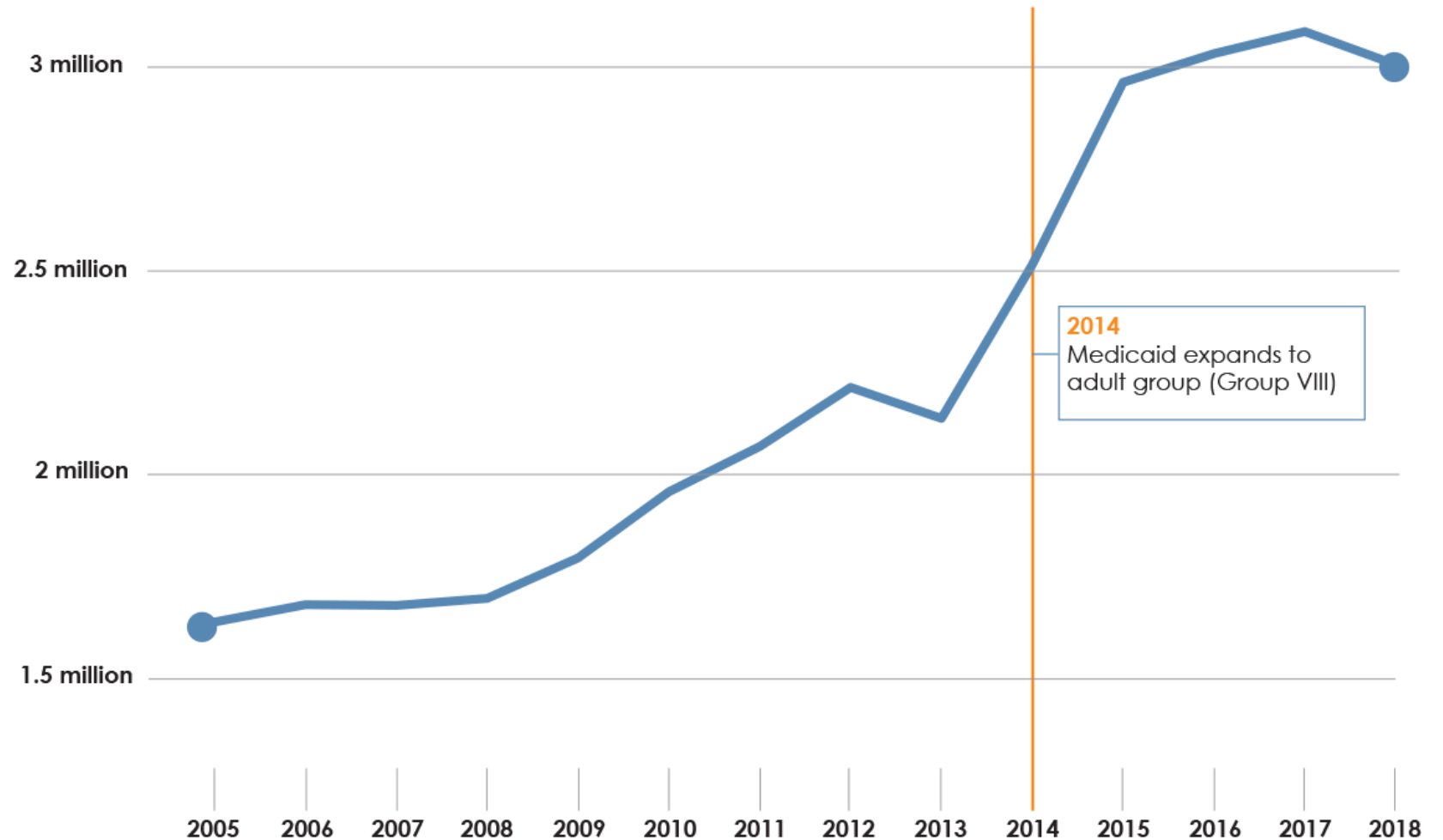
**Source:** Office of the Assistant Secretary for Planning and Evaluation. Additional analysis by the Health Policy Institute of Ohio.

# Eligibility

- Income
- Citizenship/immigration status
- Residence (state)
- Disability status and medical conditions (in some cases)
- Assets, such as stocks, bonds, real estate

# Ohio Medicaid enrollment trend

SFY 2005-2018



**Sources:** SFY 2005-2011 Ohio Department of Job and Family Services, Public Assistance Monthly Statistics reports; SFY 2012-2018 Ohio Department of Medicaid

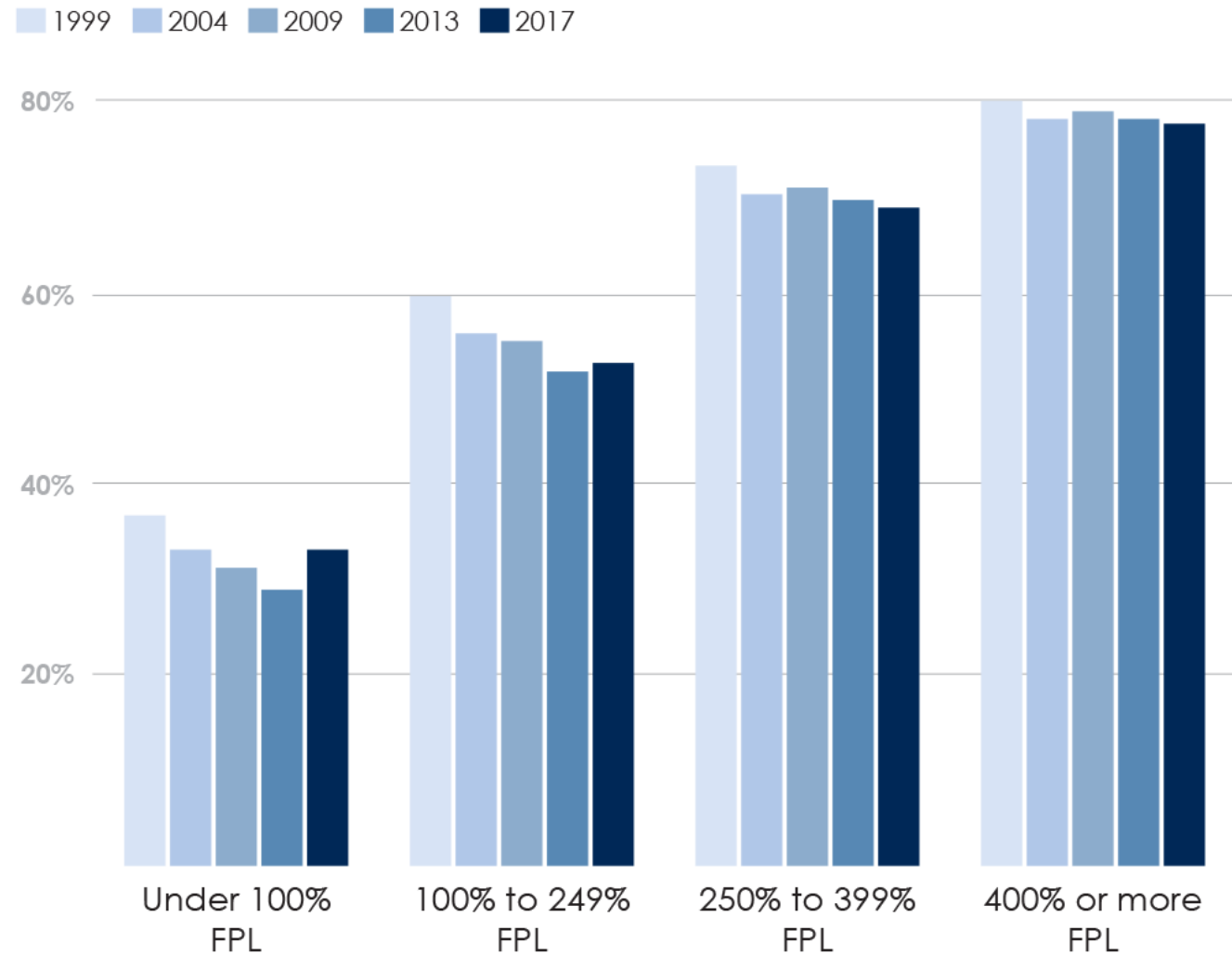
# Reasons people enroll in Medicaid

- Unemployment and other changes that impact coverage
- Price of individual (non-group) health insurance coverage
- Coverage for long term services and supports (LTSS)



# Percent of non-elderly population enrolled in employer-sponsored insurance

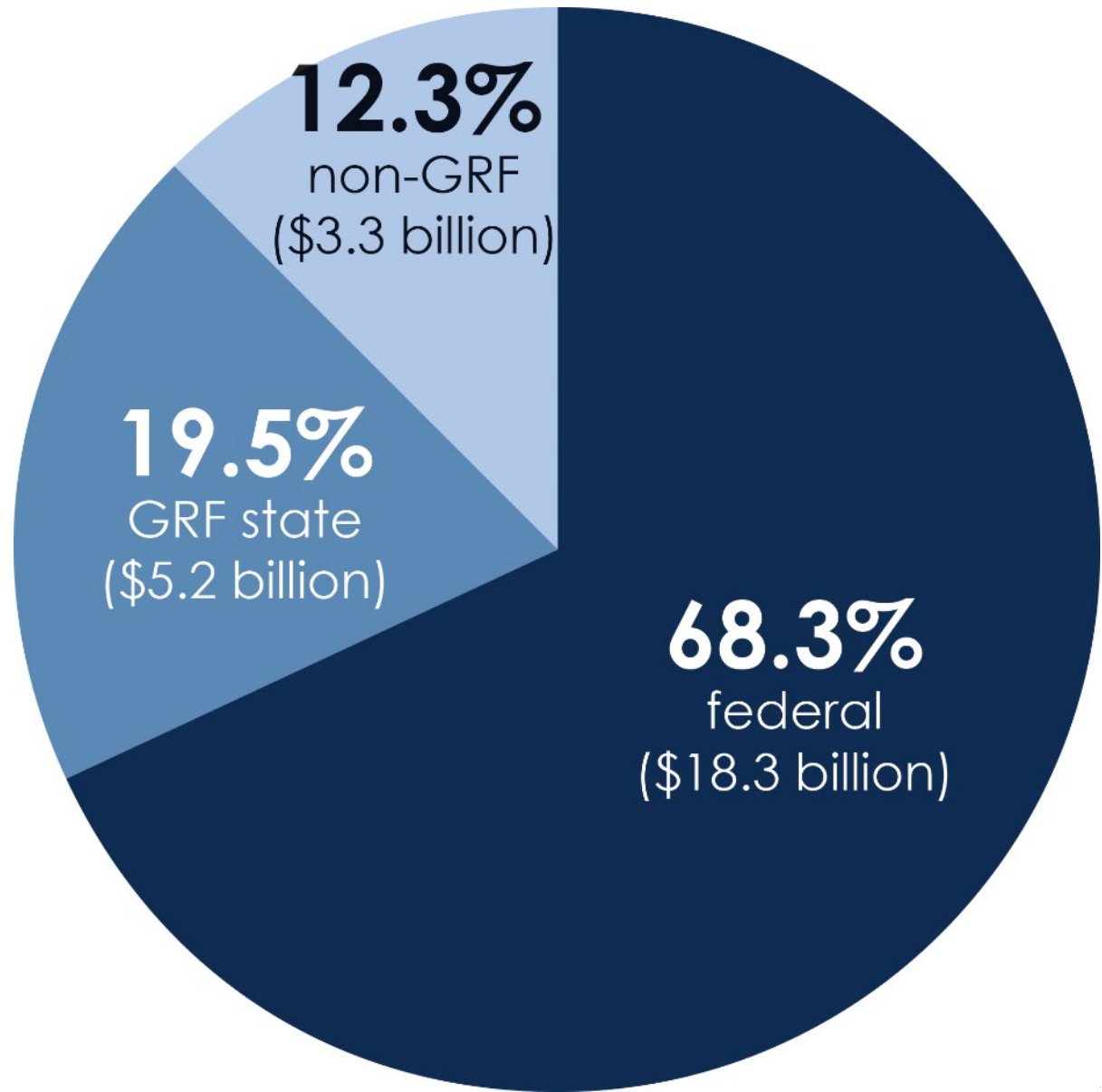
by percent of Federal Poverty Level, by year, 1999, 2004, 2009, 2013 and 2017



**Source:** Kaiser Family Foundation analysis of the National Health Interview Survey, 1999-2017

# Ohio Medicaid spending,

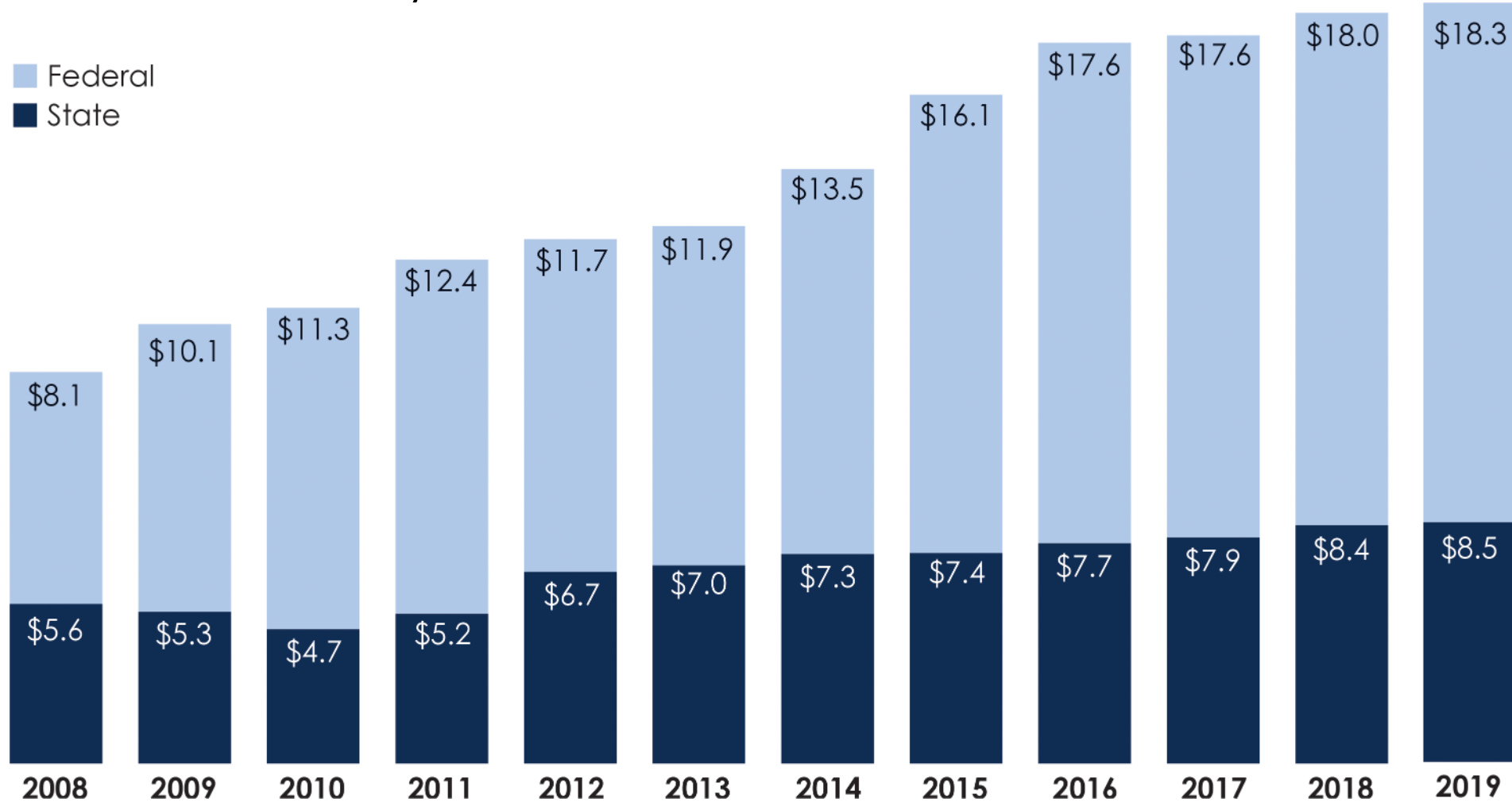
by source, state fiscal  
year 2019



**source:** Ohio Legislative Service Commission

# Ohio Medicaid spending

in billions, state fiscal years 2008 – 2019



**Source:** Ohio Department of Medicaid (via Ohio Legislative Service Commission)

# Where does Ohio rank?

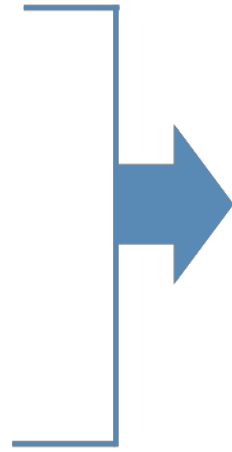


Population  
health

+



Healthcare  
spending



Health value  
in Ohio

# Change

- Medicaid as a first responder
- Privatization
- Creating Value
- Using Waivers

# Coverage & Public Health

## Rates by County



COUNTY	PERCENT OF POPULATION COVERED BY MEDICAID
Vinton	40.29%
Pike	40.20%
Scioto	38.14%
Adams	38.11%
Meigs	37.85%
Jackson	36.77%
Gallia	36.20%
Lawrence	35.32%
Hocking	34.13%
Highland	34.02%
Fayette	33.99%
Muskingum	33.70%
Lucas	33.31%
Perry	32.70%
Mahoning	32.69%
Guernsey	32.63%
Ross	32.62%
Clark	32.37%
Marion	32.21%
Jefferson	32.14%
Ashtabula	32.10%
Morgan	31.63%

Statewide County Average: 24.9%

Teen Births



Infant Mortality



Opioid Use



# Population Health

Managed Care and Value-Based Design

*Let's Talk Statistics!*



- Risk in insurance is “the likelihood an insured service occurs”
- In a population, the risk is distributed based on observations and experience
- Historically: We are agnostic to risk – ie we pay for services rendered (this is “Fee For Service”).
- The incentives align with providing **more services at higher prices.**



# Population Health

Managed Care and Value-Based Design



## Tools

Utilization  
Management

Competition

Coordination

## Payment

P4P

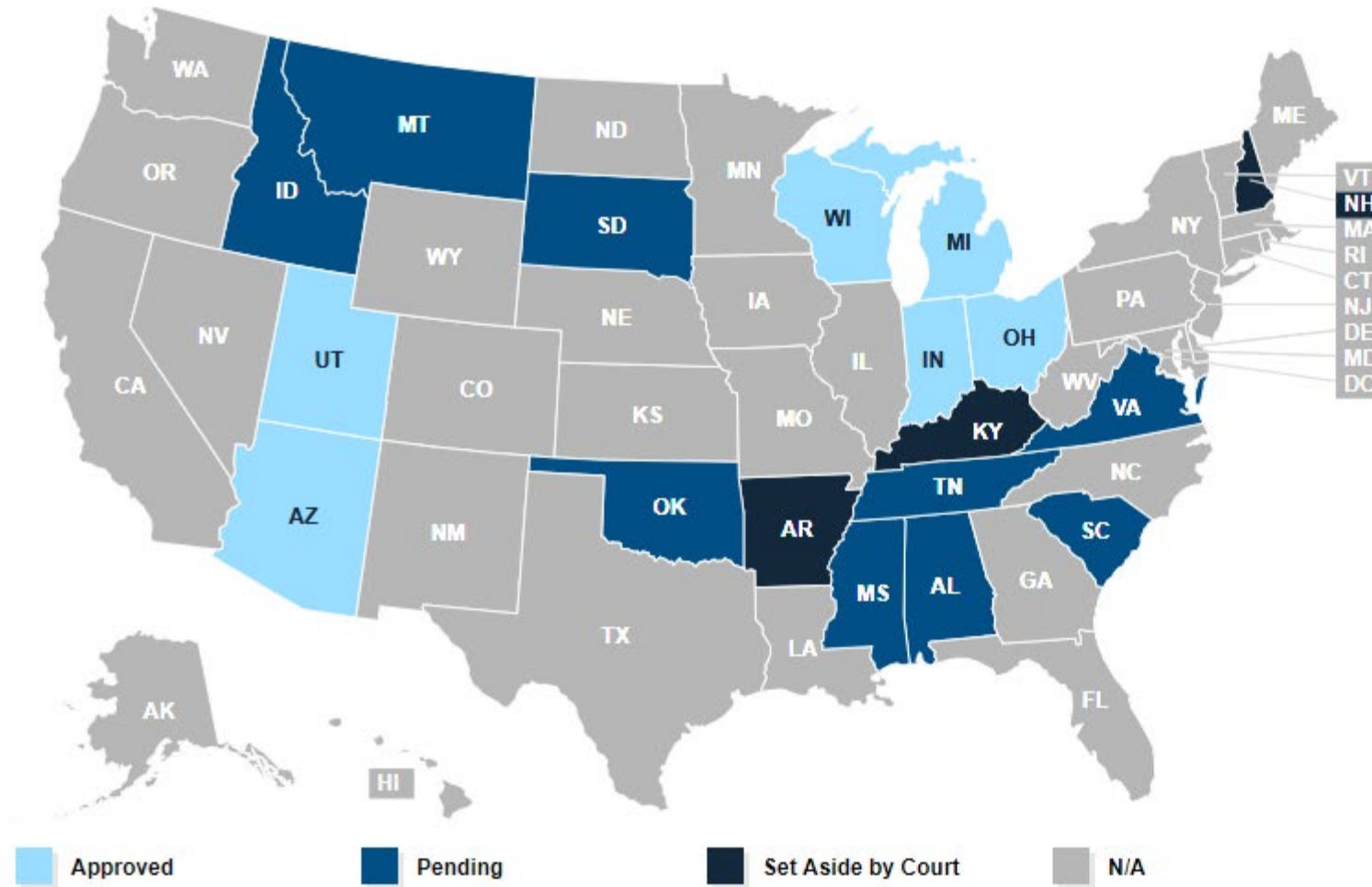
Episodes

CPC

- Payments can be upfront, global or “at risk” meaning you keep what you don’t spend and are paid for achieving quality
- You are reimbursed by **lowering the risk exposure** of payers like insurers, Medicare and Medicaid

# Legislative Pressure

Change through Personal Responsibility



Waiver Concepts

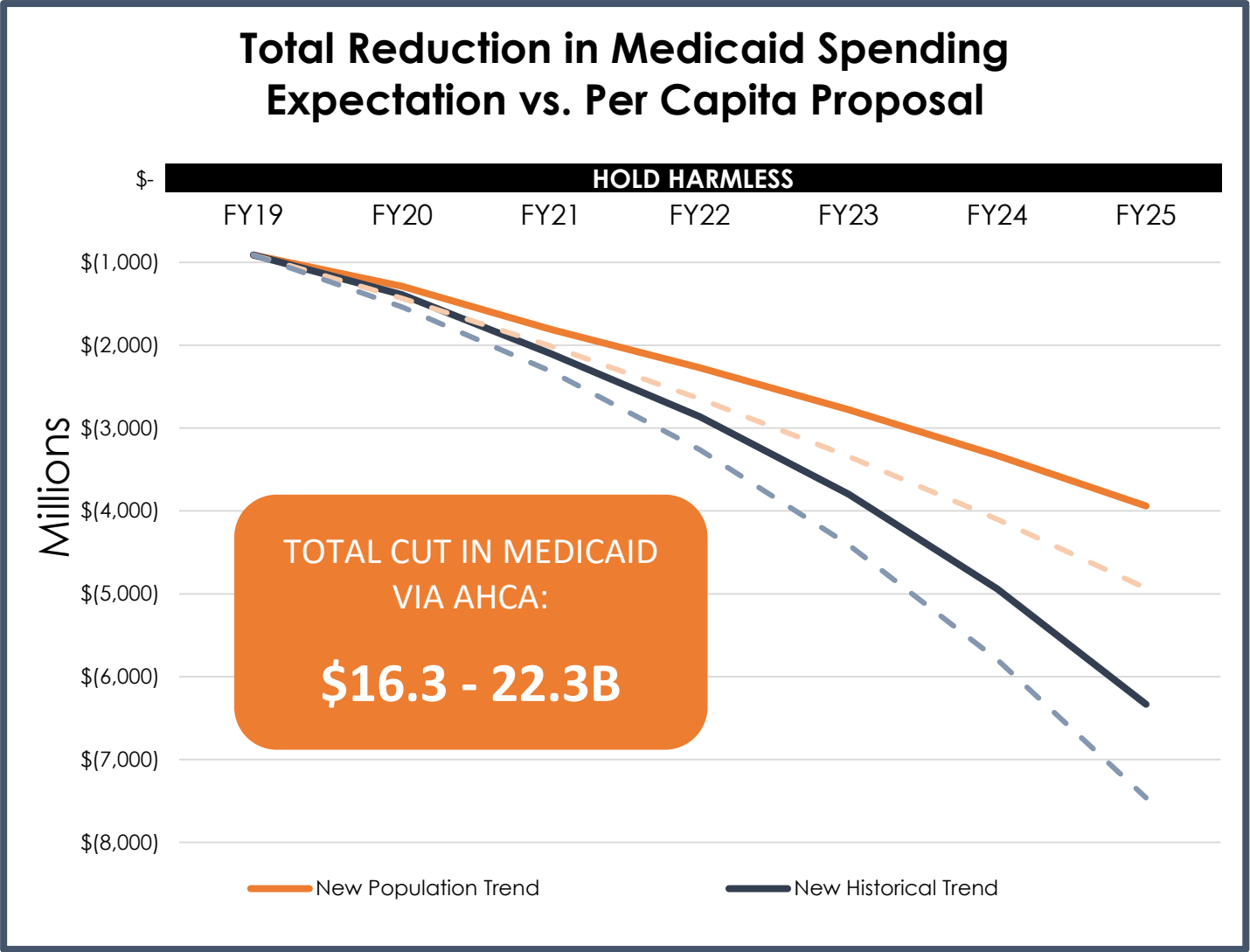
Work Requirements

Cost Sharing

Source: Kaiser Family Foundation, State Health Facts, [Approved Section 1115 Medicaid Waivers](#) and [Pending Section 1115 Medicaid Waivers](#), November 11, 2019.

# Legislative Pressure

Change through Personal Responsibility



## Financing Alternatives

Block Grants

Per Capita Caps

# 3 key takeaways

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# Questions?