**OAHP**
Ohio Association of Health Plans

April 5, 2017

The Honorable Ryan Smith
Chairman, The Ohio House Finance Committee
The Ohio House of Representatives

Dear Chairman Smith,

Thank you for the opportunity to provide written comments regarding the Fiscal Year 2018-2019 budget bill (House Bill 49). On behalf of the Ohio Association of Health Plans (OAHP) and its member plans, I would like to commend the committee for its leadership and work throughout this process.

On March 21, OAHP and the Medicaid managed care and MyCare Ohio plans testified before the House Finance Subcommittee on Health and Human Services about the value that health plans have brought to the State of Ohio and the more than 2.6 million residents that are served through the Medicaid and MyCare Ohio programs. As a follow-up to that testimony, the plans submitted to the subcommittee a series of outcome-related data points relative to both MyCare Ohio and managed long-term services and supports (MLTSS) programs administered across the country. I have attached that information for the House Finance Committee's review.

OAHP is submitting the following written comments as a supplement to the testimony already provided.

***Managed Long Term Services and Supports.*** *OAHP* <u>*supports*</u> *the integration of long-term services and supports into managed care in order to provide Ohio's most vulnerable population with access to better health outcomes and quality care.*

- Today, nearly 90 percent of Ohio's Medicaid population is offered the benefit of care coordination. It is no longer acceptable to exclude those individuals who are living with the most complex health care needs from receiving meaningful care management that is tied to enhanced quality and accountability.
- Ohio has prided itself in being a leader in Medicaid reform. However, with more than 20 states utilizing a managed care model to care for this vulnerable population, it is clear that Ohio has fallen behind. States who have already implemented MLTSS programs are experiencing increased member satisfaction, increased use of home and community based services, improved quality, and cost savings.
- Ohio's health insurance industry has experience administering MLTSS programs in several states, and Ohio is well-positioned to leverage the best practices and experiences of private sector health plans to improve care and quality for more than 150,000 Ohioans.

***Provider Transparency.*** *OAHP* <u>*supports*</u> *provider transparency measures that equip Ohioans with the information necessary to make informed decisions about the health care services they receive.*

- As health care costs continue to rise, it is vital that providers offer their patients the necessary information about the costs of the services they receive. This information will be in addition to the insurance and out-of-pocket information a consumer receives, and will provide them with a complete picture of the charges pertaining to their health care episode.
- Policymakers should consider reinforcing current Ohio law - ORC 3727.42 – which requires every hospital to compile <u>and make publicly available</u> a price information list that contains specific, statutorily defined information.

***Single Preferred Drug List.*** *OAHP* <u>*opposes*</u> *the Administration's current proposal to require a single Preferred Drug List (PDL) and prior authorization policies to be used by the Medicaid managed care and fee-for-service programs beginning in SFY2018. OAHP's opposition is based on the following:*

- OAHP believes this would be a significant step backward in effectively managing the program's pharmacy benefit. Ohio relies on MCPs to contain costs and improve quality of care through evidence-based best practices and innovation, this proposal would revert Ohio Medicaid's pharmacy benefit back to a one-size fits all program.
- According to an April 2016 study by the Menges Group, the four states utilizing a single PDL collectively had costs per prescription that were higher than those in states where managed care plans maintain latitude to administer their pharmacy benefits.[1] In comparison to all states, Ohio has the 16th lowest net Medicaid costs per prescription.
- Currently, the State of Texas is transitioning away from the single PDL used in its Medicaid program in order to more successfully negotiate the most clinically effective and lowest-priced drugs. The Texas Health and Human Services Commission has stated that the move will result in lower net prices for prescription drugs across its Medicaid program and estimates annual savings of $100 million.[2]

***Access to Coverage.*** *OAHP believes the state's FY 2018-2019 budget demonstrates financial sustainability in the Medicaid space.*

- Managed care plans are providing Ohioans with access to the services and treatments they need to become and remain healthy. In doing so, beneficiaries can then focus on obtaining an education or new job skills and maintaining an independent life.
- Recent studies show self-reported improvements in access, utilization, behavioral health and employment.

***Leverage with Non-Contracting Hospitals.*** *OAHP* <u>*supports*</u> *the proposal to pay hospitals that do not contract with Medicaid managed care plans the fee-for-service rate for services rendered.*

- This proposal addresses one of the primary drivers of health care costs - inpatient and outpatient hospital costs – and will serve to mitigate the higher costs Ohio taxpayers pay today to non-contracting hospitals.
- Today, because health plans are required to ensure access through network adequacy standards, hospitals have the upper hand when it comes to contract negotiations. This proposal, effectively, levels the playing field in terms of those negotiations.

Again, thank you for the opportunity to comment on House Bill 49. OAHP looks forward to our continued work with the Ohio House, the Senate and the Administration on the FY 2018-2019 budget.

Sincerely,


Miranda C. Motter
President & CEO

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[1] *Assessment of Medicaid MCO Preferred Drug Policy Options in Louisiana*. The Menges Group. April 2016.
[2] *The Prescription for a Healthier Medicaid Rx Program*. Texas Association of Health Plans. January 2017.