February 25, 2020

Representative Bill Roemer
House Finance Subcommittee on Health and Human Services
77 S. High St., 11th Floor
Columbus, Ohio 43215

Dear Chairman Roemer,

On behalf of the Ohio Association of Health Plans (OAHP), thank you for the opportunity to offer written testimony on the value of managed care in relation to HB 110.

OAHP is the state's leading trade association representing the health insurance industry. OAHP's member plans provide health benefits to more than 9 million Ohioans through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare, Medicaid, and the Federal Insurance Marketplace. Our members offer a broad range of health insurance products to Ohioans in the commercial marketplace and are committed partners in public programs.

Medicaid is a safety net for Ohioans that need it the most – including children, parents, grandparents, and individuals with disabilities. Ohio uses public private partnerships to help manage the bulk of the program. Through this public private partnership, the Medicaid managed care plans bring value by improving the lives of Ohioans through access to quality health care while delivering savings for Ohio taxpayers.

Medicaid Managed Care vs. Fee for Service:

Just like employer-based insurance, Medicaid managed care plans are paid a fixed monthly premium to cover **all** of the medical needs of those enrolled in the plan, regardless of the number of services used. Managed care accepts the financial risk of providing all covered health care services, which then provides budget predictability for the State. In return, Medicaid managed care plans improve quality, increase access to care, and manage costs.

In contrast to managed care, fee for service is an outdated one-size-fits-all approach to healthcare where government agencies pay the bills for all services rendered. Providers are paid for the volume of services not the value of the service and the ability to measure or identify best practices is restricted. Therefore, there are no checks and balances to ensure the individuals are receiving the right care at the right time with limited proactive assistance to help treat chronic conditions early on. Further, under a fee for service program, Medicaid enrollees handle their own care without a guide to understand the healthcare system.

Managed Care in Ohio, a Proven Approach:

Ohio's Medicaid Population: Today, managed care plans coordinate health care services for over 2.7 million Ohioans receiving Medicaid benefits, representing 88 percent of the total Medicaid population (total Medicaid population 3.1M). Medicaid enrollees fall into several categories:

- Women, children, and families (Covered Families and Children - CFC);
- Aged, blind, and disabled (ABD);
- Childless adults between 19 and 64 years old with income less than 138% of the federal poverty level (Adult Expansion Population or "Group 8"); and

- Persons dually eligible for Medicare and Medicaid who live in one of the seven multi-county demonstration regions (MyCare Ohio)

Quality and Innovation: Ohio's Medicaid plans are held accountable to ensure that members receive quality care and are measured on how well they are improving quality of care and the health of members. They also can quickly create innovative programs to address specific needs of the population. All of Ohio's Medicaid plans scored higher than the national average and the large state subgroup averages on the National Committee for Quality Assurance (NCQA) metrics for measurement year 2019 and 2020.

Cost Savings: A recent analysis by Wakely found that Ohio managed care saved taxpayers 13.5% and 17.1% in 2018 and 2019 compared to what would have been spent in the government run fee-for-service program.[1] This equates to $4.1 – $5.4 billion that can be used for other priorities by:

- Promoting wellness and providing a "medical home" for all enrollees;
- Focusing on upstream preventative treatments to avoid costly downstream medical expenses (e.g., prenatal care, diabetes testing etc.); and
- Educating Medicaid enrollees on appropriate settings for care, encouraging relationships with primary care physicians in lieu of regular ER visits.

Over 86% of every Medicaid managed care dollar is directly invested in health care and care management services for Medicaid members. Attached to this testimony is a breakdown of that dollar.[2][3]

Managed care brings the most value when an individual's physical health, behavioral health and pharmaceutical needs met by a single accountable health plan. Carving-out any of these benefits and services from managed care leads to poorer outcomes, decreased access to care, and higher costs.

Pandemic Response: The COVID-19 pandemic highlighted the value of the Medicaid Managed Care program. Because private business can pivot more quickly than government, Ohio's managed care plans were able to respond to the pandemic and come up with solutions for their members extremely quickly. The largest and most widely used solution was expanding the use and access to telehealth. This ensured members received the care needed safely and when they needed it, without sacrificing health outcomes. Further, plans implemented specific programs such as: delivering prescriptions, providing access to delivered meals for frail members, securing short term memberships to Amazon prime to increase access to delivered groceries and other essentials, and setting up hotlines as a resource to help navigate benefits, among many other programs.

The Medicaid managed care plans also worked collaboratively to implement interventions to ensure continued access to care and the safety of their members. These include:

- Childhood Immunizations – plans partnered to ensure children continued to receive needed immunizations that may have been missed.
- Nursing Facility and Assisted Living Members – plans conducted a friendly caller program to help reduce loneliness and worked with facilities on testing.
- Transportation – plans worked with transportation providers to retro-fit protective barriers in vehicles to ensure safety as well as improved access to transportation to health care services and other social need services.
- Telehealth and Provider Support – plans worked together with their provider partners to increase access to telehealth, focusing on assisting behavioral health providers in rural areas.
- Restored Citizens Outreach – plans provided care kits for individuals being released from corrections facilities to help prevent COVID-19 infections. The kits included things such as masks, hand sanitizer and a phone to connect the individual with needed follow up care.

[1] https://oahp.org/wp-content/uploads/2021/02/Wakely_OH-Medicaid-2018-19-Managed-Care-Savings-Analysis-2020.10.23.pdf
[2] https://oahp.org/wp-content/uploads/2020/07/OAHP_Dollar_Infographic_FINAL.pdf
[3] https://oahp.org/wp-content/uploads/2020/07/Wakely-CY-2020-MMC-Capitation-Rate-Detailed-Breakdown.pdf

Millions of Ohioans relay on Medicaid and managed care plays an essential role in ensuring that Medicaid consumers get the care they need in an effective way that focuses on quality and value. OAHP would like to thank the DeWine-Husted Administration and the Legislature for their continued dedication and hard work on behalf of Ohioans.

Sincerely,

Kelly O'Reilly
President and CEO

MEDICAID MANAGED CARE DOLLAR

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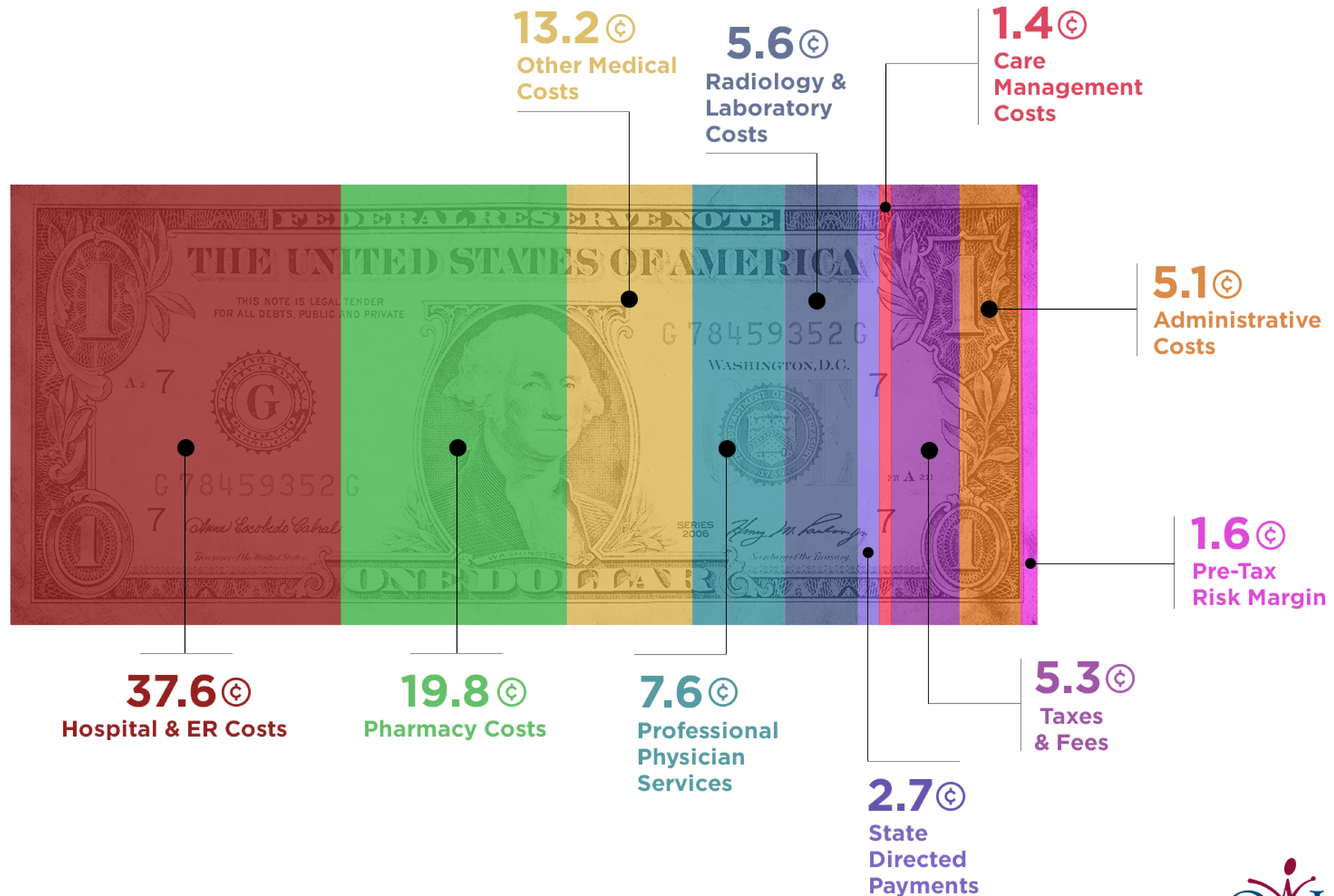

OAHP
Ohio Association of Health Plans

For more details see "Medicaid Capitation Rate Detailed Breakdown" on OAHP's website at
https://oahp.org/wp-content/uploads/2020/07/Wakely-CY-2020-MMC-Capitation-Rate-Detailed-Breakdown.pdf