

**Joint Medicaid Oversight Committee before the Senate Medicaid
Committee**

Presented by:

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Chair Romanchuk, Ranking Member Ingram, and members of the Senate Medicaid Committee, my name is Jada Brady and it is a privilege to appear before you today on behalf of the Joint Medicaid Oversight Committee (JMOC). It is my sincere hope that by the time I finish my testimony, that you will have a better understanding of how Ohioans are the ultimate beneficiary of JMOC's work by the legislature's role in setting the direction and policy for Ohio's largest program, Medicaid.

JMOC's Role and Mission

The Joint Medicaid Oversight Committee (JMOC) was created by statute in the 130th General Assembly specifically to increase legislative oversight of the state's Medicaid program. The Committee serves the people of Ohio through its research, which ultimately helps produce the adoption and promulgation of legislation, rules, standards, and requirements relating to Medicaid established in Chapter 103 and Title 51 of the Ohio Revised Code. The mission of JMOC is to provide continuing oversight of all facets of Ohio's Medicaid Program. This includes compliance of the program's legislative intent, evaluating legislation for long-term impact, and improving the quality of care and health outcomes for individuals enrolled in Medicaid.

Five (5) members of the Ohio House and five (5) members of the Ohio Senate comprise JMOC. The Speaker of the House and the President of the Senate appoint five (5) members each. The President and Speaker annually alternate appointing the committee's chairperson and vice-chair. Representative Adam Holmes currently serves as JMOC's Chair and Senator Catherine Ingram as Vice-Chair. Issues under the purview of JMOC include the following:

- Oversight of current and future policy, as it relates to long term cost trend and financial sustainability of the Medicaid program;
- Policies that impact Medicaid's population health, including health equity;
- Policies that impact access and quality of care for Medicaid recipients; and
- Changes to the Medicaid service package.

In addition, the General Assembly has also tasked JMOC's staff to serve the Ohio Health Oversight and Advisory Committee.

JMOC is unique in that it has a specific role with regard to Ohio's Biennium Budget. Under Ohio Revised Code 103.414, Projection of medical inflation rate, the Committee is charged with working with an outside actuarial firm to calculate the projected rate of growth for Ohio's Medicaid program on a per capita or per member per month (PMPM) basis for the upcoming biennium, known as the JMOC Rate. The actuary's report projects the cost of continuing current Medicaid policy into the next biennium, which includes the impact of trend factors on utilization and unit cost. JMOC uses the report to establish the JMOC Rate, which becomes the limit for the Executive Budget. A report of the Growth Rate must be submitted to the General Assembly, the governor and the director of Medicaid at least ninety (90) days before the governor submits its state budget. On October 20, 2022, the Committee voted to

set the JMOC Rate as 3.3% for State Fiscal Year 2024 and 3.4% for State Fiscal Year 2025 for Ohio's Department of Medicaid's SFY 2024-2025 Operating Budget.

The goal of the JMOC Growth Rate process is to moderate the growth of Medicaid, which is Ohio's largest program, to a sustainable level of our per capita spending while maintaining long-term support of successful policies. For this purpose, JMOC and CBIZ Optumas, JMOC's actuary, developed and use a per member per month (PMPM) cost formula to better measure the program's trend factors of utilization and unit cost across all of Medicaid's population groups and services. This includes trends across both Fee-for-Service and the Managed Care delivery system. The formula affords greater transparency as to where dollars are being spent, legislative effects, and health outcomes.

Priorities and Operating Expenses

The top priority of JMOC is the compliance of contracting with an actuary to project Medicaid's growth rate to achieve the following outcomes:

- Oversight of current and future policy as it relates to the long-term cost trend and financial sustainability of the Medicaid program; and
- Limiting the rate of growth of the state's Medicaid program, at an aggregate monthly cost per recipient, to at least the medical inflation rate, while improving quality of care and health outcomes for Medicaid recipients.

The collaboration of JMOC, Ohio Department of Medicaid (ODM) and an actuary is necessary to fulfill its statutory obligations under ORC 103.414. In order to establish an efficient and continual flow of information, a Data Sharing and Confidentiality Agreement

exists between the three (3) entities. This agreement allows the actuary to receive monthly data from ODM to accurately predict the growth rate.

The estimation of actuarial work is budgeted at \$110,000 for FY 2024 and \$300,000 for FY 2025. Because of the Committee's role in setting Medicaid's Growth Rate for future biennium's; actuarial expenses are higher in the second fiscal year. However, the \$110,000 for FY 2024 permits the actuary to continuously analyze the Encounter and Fee for Service data it receives on a monthly basis from ODM. The efficient flow of information is a mandatory part of any collaboration and is even more pertinent considering JMOC's statutory obligation to set Medicaid's Growth Rate for future bienniums.

The staff of JMOC is comprised of two (2) full-time employees, myself as Executive Director and an Assistant Director to assist in carrying out the work of the Committee. As an extension of Ohio's General Assembly, the office itself serves as a policy resource to legislators, which allows them to better understand existing policy and potential impacts to outcomes. This is especially true of federal changes to Medicaid and Medicare.

JMOC's expenditures are entirely comprised of personnel costs, purchased services and maintenance charges. We request a budget of \$276,932.50 for FY 2024 and \$284,501.45 for FY 2025 for personnel. At this funding level, we will be able to continue to support a staff of two (2) full time employees. Slight increases are due to rising healthcare costs and administrative fees such as the DAS processing of payroll and the use of OAKS. Other expenses include maintenance costs and a standard audit that should be performed in FY 2024. Past audits have cost the agency almost \$10,000.

| Purpose | Account | Fiscal Year 2024 | Fiscal Year 2025 |
|---------------------------|------------------------------------|-----------------------------|-----------------------------|
| Personal Services | 500 – Personal Services | \$276,932.50 | \$284,501.45 |
| Purchased Services | 510 – Purchased Services/Contracts | \$110,000.00 | \$300,000.00 |
| Maintenance | 520 – Maintenance and Supplies | \$21,000.00 | \$7,000 |

Thank you Chair Romanchuk and members of the committee, and on behalf of the members of JMOC, I am happy to answer any questions at this time.