

**Joint Medicaid Oversight Committee before the House Medicaid  
Committee**

**Presented by:**

**Jada Brady, Executive Director**

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Chair Gross, Ranking Member Baker, and members of the House 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. 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 130<sup>th</sup> 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 President and Speaker annually alternate appointing the Committee's chair and vice-chair. During the crafting of Ohio's Operating Budget, the Chairmanship is in the House and during the performance of the JMOC Rate, the Chairmanship is in the Senate. Representative Adam Holmes currently serves as JMOC's Chair with Senator Mark Romanchuk as Vice-Chair and Senator Beth Liston as Ranking. Issues under the purview of JMOC include the following:

- oversight of current and future policy, as it relates to long term cost trends 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 regarding 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. 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 help establish the JMOC Rate, which becomes the limit for the Executive's introduced Medicaid 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 17, 2024, the Committee voted to set the JMOC Rate as **3.8% for State Fiscal Year 2026 and 3.7% for State Fiscal Year 2027** for the growth of Ohio's Department of Medicaid's Operating Budget.

The goal of the JMOC Growth Rate process is to moderate the growth of Ohio's 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**

A total of \$530,532 is being requested for Fiscal Year 2026 and \$654,606 for Fiscal 2027.

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, the Ohio Department of Medicaid (ODM) and JMCO's actuary is necessary to fulfill its statutory obligations under ORC 103.414. The actuary's projection includes the cost, on a per capita or per member per month (PMPM) basis, of continuing the current Medicaid policy into the next biennium. 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 weekly claims data from ODM to accurately predict the growth rate and monitor claims.

The estimation of the actuary's work is budgeted at \$210,000 for FY 2026 and \$325,000 for FY 2027. 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. \$110,000 for FY 2026 permits the actuary to continuously analyze the Encounter and Fee for Service data it receives weekly from ODM. However, JMOC for this biennium is budgeting an extra \$100,000 for FY 2026 as a precaution due to our actuaries having to invest additional time. This is a result of ODM's implementation of the Next Generation and the way it transmits data. Prior to ODM's conversion, vendor data feeds were monthly rather than weekly. In addition, due to ODM's ongoing issues of unpaid claims, as well as other unforeseen problems with the Next Generation, JMOC endured additional costs for its actuarial work in 2023 and 2024. This includes its actuaries having to begin the JMOC Growth Rate process early to deal with these matters. Considering that issues with the Next Generation remain unresolved, the extra \$100,000 will permit our actuaries to again identify unpaid claims and eligibility and assist providers.

As an extension of Ohio’s General Assembly, the office itself serves as a policy resource to legislators, which allows them to better analyse existing policy and potential impacts to outcomes. This is especially true of federal changes to Medicaid and Medicare. We request a budget of \$305,532 for FY 2026 and \$308,606 for FY 2027 for personnel. At this funding level, we will be able to continue to support a staff of two (2) full time employees. It should be noted that a change in personnel for the Assistant Director position caused the position to be unfilled for eight (8) months in FY 2024. In addition, 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, insurance and the standard audit that should be performed in FY 2027. Past audits have cost the agency almost \$10,000.

<b>Purpose</b>	<b>Account</b>	<b>Fiscal Year 2026</b>	<b>Fiscal Year 2027</b>
<b>Personal Services</b>	500 – Personal Services	\$305,531.76	\$308,606.21
<b>Purchased Services</b>	510 – Purchased Services/Contracts	\$210,000.00	\$325,000.00
<b>Maintenance</b>	520 – Maintenance Supplies/ Insurance Bond/Audit	\$15,000.00	\$21,000

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