Ohio
Department of Medicaid
John R. Kasich, Governor
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Joint Medicaid Oversight Committee
Testimony by Director John McCarthy, ODM

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Chairman Burke, Vice Chair Sears, and members of the committee, I have been asked to come before the Joint Medicaid Oversight Committee this morning to provide updates on three of our department's core initiatives. They are the Disability Determination Redesign, the Behavioral Health Redesign, and the next phase of the Ohio Benefits implementation.

Each of these three initiatives are interconnected with one another and have entailed a great amount of work from the staff of Ohio Medicaid. Additionally, these endeavors are only made possible through close collaboration with the Governor's Office of Health Transformation and a number of Ohio's health and human services agencies.

Disability Determination Redesign (1634)

Ohio's Disability Determination Redesign remains on track for July of this year. This project may be more familiar to JMOC members as the '1634 transition,' under which, Ohio's Medicaid program will adapt to rules under Section 1634 of the Social Security Act, rather than the current 209(b) section.

This transition will benefit our state in a number of ways, including:

- The creation of a single disability determination system for residents. Currently in Ohio, individuals living with disabilities must go through two separate application process to obtain Supplemental Security Income (SSI) and Medicaid benefits. This will no longer be the case come July.

- New eligibility rules will be implemented to ensure that all residents have a pathway to health care coverage. This includes the introduction of Specialized Recovery Services (SRS) for individuals living with serious and persistent mental illness. Additionally, the antiquated and cumbersome Spenddown category will be eliminated, with many of those individuals becoming eligible for full Medicaid coverage.

- Qualified Income Trusts (QITs), also known as "Miller Trusts," will be introduced. These trusts will allow individuals with long-term care needs – who also have income above the special income limit ($2199/month) – to remain eligible for Medicaid coverage by depositing excess income into the trusts. ODM is contracting with Automated Health Services to individually contact the impacted population and assist them in establishing a trust. These trusts will be created at no charge to the individual.

As part of the transition to 1634, Ohio Medicaid is actively working with the Centers for Medicare and Medicaid Services (CMS) to ensure that no individuals experience a gap in coverage. Whereas this transition remains on track for July 1, we have asked CMS for the authority to not apply the new 1634 eligibility criteria on these individuals until their next redetermination date in 2017. This means that all impacted individuals will be 'converted over' to full Medicaid benefits in July in order to ensure a seamless transition to their next – and more appropriate – source of coverage. The new rules will apply only to new applications starting in July. The six month window between July and December provides the hardworking county staff time to learn both the new rules and system. We have spoken to counties and advocates about this timeline, and both have given us positive feedback.

Ohio Benefits

Since its introduction in October 2013, Ohio Benefits has eased the enrollment process for Medicaid-eligible individuals across Ohio. This has included faster enrollment times; passive renewal of existing, qualifying cases; and online accessibility for the renewal and application for benefits.

In July, the Medicaid program will be fully integrated within Ohio Benefits as the aged, blind, and disabled (ABD) population will be housed in the system. This means that CRIS-e, the state's legacy eligibility system, will be one step closer to full retirement. Moreover, this upcoming release is what will allow us to successfully transition to becoming a 1634 state. Ohio Medicaid staff and the Ohio Benefits team are currently working with county caseworkers regarding the July conversion of population impacted by the 1634 policy change.

Behavioral Health Redesign

We continue to work closely with both advocates and providers on the Behavioral Health Redesign and have received excellent feedback thus far. As I have testified before, we are using as transparent a process as possible for the development of services and rates. We have shared all of our draft rates and budget models with providers, and have revisited and recalculated those rates and models in response to the feedback. The most current budget

model puts us over budget by $37 million compared to our budget neutral model that I testified about a few months ago.

Also in response to provider feedback, we have decided the new service and billing codes will go live January of 2017. Providers will be given two opportunities to transition to the new codes on a voluntary basis in January and April, 2017, before a mandatory transition to the new codes is implemented in July 2017. We have begun provider training on the new codes and, in conjunction with the Department of Mental Health and Addiction Services, have scheduled several regional "BH Redesign 101" sessions for county behavioral health agencies, advocates, providers, and other interested stakeholders.

Included with today's testimony are a pair of recently released policy briefs addressing both the Disability Determination and Behavioral Health Redesigns. These documents provide up-to-date detail concerning both initiatives and are helping to guide and inform remaining policy decisions related to these endeavors.

Thank you for allowing me to come in and speak to you this morning. I am happy to answer any questions that you may have.