



As we work to leverage technology and healthcare innovations to improve quality of care, health outcomes, transparency, accountability, and value for taxpayers, the Ohio Department of Medicaid is procuring new managed care arrangements.

Budget Impact

The Ohio Department of Medicaid is procuring new managed care contracts over the biennium that will drive changes in the healthcare market, improve quality of care and health outcomes, and maximize return on investment for taxpayers. An investment of \$7.0 million (\$3.5 million state GRF) is necessary to secure additional resources and expertise needed for this procurement.

Background

Approximately 90 percent of the 2.8 million Ohioans enrolled in Medicaid are enrolled in managed care. With a network of more than 135,000 providers, the Department works with six managed care plans to ensure statewide quality coverage and access to care. Managed care provides Ohioans with the following benefits:

- » Budget predictability for the state that helps mitigate volatility in the market;
- » Increased free market competition for the Medicaid program;
- » Individual enrollee choice between competing managed care plans;
- » Opportunities to pay for value while moving away from a volume-based model;
- » Flexibilities to invest in health and wellness programs and unique support services; and
- » Coordination of care and supports for members.

The Medicaid program has the responsibility to provide high quality care and improve health outcomes for enrollees at the most affordable cost to taxpayers. The Department is dedicated to managing the program within budget constraints with increasing transparency while helping people move off the program as their life circumstances improve.

To better meet these aims, Governor DeWine directed the Department to rebid its managed care contracts with a great sense of urgency. The Department last procured managed care plan contracts beginning in 2011, and the current plans have been providing services since 2013. Over the coming biennium, the Department will work

with and consider feedback from a broad group of individuals, stakeholders and national experts to deepen the impact of managed care by:

- » Creating opportunities for all children served by Ohio Medicaid;
- » Improving access to and quality of behavioral health care;
- » Improving wellness for all served by Ohio Medicaid; and
- » Securing the best deal for Ohio taxpayers.

Policy Proposal

Ohio Medicaid's procurement process will be transparent and inclusive. With the help of national experts, the Department is currently soliciting information from other states that have recently procured or rebid managed care services. Based on this information and other research, Medicaid intends to take an innovative and thoughtful approach to developing our new agreements. The Department is also drafting a request for information (RFI) to obtain input from a wide cross-section of respondents, including current and potential managed care organizations, providers, advocates, individuals served by the program, and the public at large.

Throughout the process, the Department will take a comprehensive, transparent and inclusive approach, including the following:

- » In-person listening sessions and regional meetings to obtain feedback from individuals served by Ohio Medicaid, providers, advocacy groups, managed care entities, and taxpayers;
- » Sharing information throughout the procurement process via a dedicated website hosted by the Department;
- » In addition to the RFI, ongoing solicitation of input from stakeholders via both the website and email inbox;
- » Careful drafting of the request for applications (RFA) for new managed care entities and management of the bid process;
- » Developing new managed care provider agreements to ensure that the newly selected managed care plans will be held accountable for services and outcomes;
- » Completion of a systematic readiness review with each newly chosen managed care entity; and
- » Working with existing plans, providers, and others to ensure a smooth transition toward implementation.