

**Joint Medicaid Oversight Committee
Minutes
September 19, 2024
135th General Assembly**

The Joint Medicaid Oversight Committee was called to order pursuant to the meeting notice at approximately 10:01 a.m. in the Senate Finance Hearing Room.

The clerk called the roll, and a quorum was present. The minutes of the March 21, 2024, meeting was approved without objection.

The Chair opened with a summary of the days presenters; CBIZ Optumas, JMOC's actuary to present their preliminary report of Ohio's medical inflation rate for its Medicaid Program for the upcoming SFY 2026 and SFY 2027 Biennium. Along with Jada Brady, Executive Director of JMOC, to begin the presentation of the JMOC Report.

Director Brady provided an overview of JMOC's creation purpose and capping Ohio's Medicaid Growth Rate. Background was provided on the per member, per month formula (PMPM) and the Ohio Department of Medicaid's (ODM) other obligations and performance outcomes to keep the growth of Medicaid down as stated in Ohio Revised Code (ORC) 5162.70. Director Brady then turned the presentation over to Barry Jordan, FSA, MAAA, Director and Actuary of CBIZ Optumas.

Mr. Jordan reminded the Committee that the objective of the JMOC Growth Rate is to project Ohio's Medicaid medical inflation rate for the upcoming biennium. Optumas has been JMOC's actuary since 2014, its creation. He provided an explanation of how PMPM rate is determined. Mr. Jordan then turned the presentation over to Marshall Dupree, to share the details of data sources used for the report.

Mr. Dupree described the data sources used to justify their conclusion. Through the review, CBIZ Optumas identified nearly \$1 Billion dollars in retroactive payments made at the end of 2023 and early 2024 to settle claims incurred in 2023. ODM reported they did not expect the need to make retroactive payments to this magnitude in the future. Therefore, CBIZ Optumas used calendar year 2023 as their base date for Fee for Service (FFS) and Single Pharmacy Benefit Manager (SPBM) experience without further adjustment.

The presentation was then turned over to Dan Skinner, FSA, CERA, MAAA, of CBIZ Optumas who also served as the Project Manager, to discuss the process and trend components that lead to their recommendation.

Questions were asked.

Ranking Member Liston kicked off the questions with a need to look at the Midwest Consumer Price Index or -CPI vs. the National Health Expenditures.

Senator Huffman enquired how well JMOC has done over the last ten (10) years in projecting the growth rate. He is requesting a chart of what the JMOC projected Growth Rate was verses what the actual rate outcome was over the last ten years. Mr. Skinner confirmed the next project for Optumas is to complete a retrospective review of the projected growth rate for the 2022-2023 biennium vs. the actual growth rate. "This should be a good step in tracking the rates to see if they meet, why and why not".

Senator Huffman also enquired what the recommend percentage rate equates to in dollars in order to know how much more money will be needed for the upcoming biennium budget. Mr. Skinner estimated, based on last year's spending, every one percent, equals approximately \$300,000,000 million dollars per year.

Representative Gross asked Mr. Skinner if he thought there would be a benefit in completing an analysis of efficacy of the medications being prescribed to ensure Ohioans are being prescribed the most effective drug for their ailment verses the latest/greatest version of the same drug. Mr. Skinner reminded the audience that one of the benefits of the SPBM model allows the state greater control over Medicaid drug policy and spending. It allows the state the ability to adjust the formulary, to adjust prior-authorization requirements to enact more cost control on the program.

Representative Gross then asked for clarification on the populations being served under Fee for Service population on page fourteen (14) of the report. Specifically, individuals falling into the "other" category. It was stated that this category includes Medicare Premium Assistance, recipients not assigned to a Medicaid Managed Care Plan, RoMPIR, those who received services through Presumptive, Refugees, and AEMA. This category has fewer individuals in the group, but based on their risk factors, have a high cost associated to them, vs. the other categories of aid. Gross asked to identify where we pay for refugees and illegal aliens in the projection.

Chair Romanchuk asked if the funding source for refugees and illegals is 100% federal or requires a cost share of Ohio. Director Brady provided that refugees are funded through federal grants and that she believed it was 100% federal since they are here legally. However, for illegal aliens Ohio does pay for their care through Alien Emergency Medical Assistance (AEMA). Romanchuk asked that Brady follow-up with the committee on a definite answer concerning refugees and if it is 100% federal funds. As well as data on how Ohio is performing among other states after the baseline rates of services have increased in areas of long-term support services, wages for employees who provide waiver services, drug spending and behavioral health spending.

Representative Lipps went on record expressing his concerns and disdain regarding the large retroactive payments that were made by ODM in late 2023 and early 2024. Emphasizing that providers are having to merge their businesses or close all together, which is creating an access to care issue.

Questions were asked.

Chair Romanchuk is expecting a follow up on the percent increases in other cost drivers in areas of pharmacy, behavioral health services and dental.

Liston asked if there was any data available on potential cost savings for gene therapy drugs or other drugs that theoretically should produce a cost savings in the long run if treatment is provided proactively vs. reactively. i.e. sickle cell treatment. Optumas will research and follow up.

Chair Romanchuk read new language that was included in the amended H.B. 33 that includes an additional step to the JMOC rate setting process. Ohio Revised Code, 5162.70, Reforms to Medicaid program now requires The Ohio Department of Medicaid to provide JMOC with its historical and projected Medicaid expenditures and utilization numbers by October 1st of even numbered years, for upcoming fiscal biennium. This correlates with the required submission of the agency's proposed budget to the Governor in October. Upon ODM's report to JMOC of their projections, CBIZ Optumas will review and then submit its final report to the Committee by Friday, October 4th, 2024. The JMOC committee will then meet and vote on the final JMOC growth rate at the monthly scheduled meeting in October.

Without further business, Chairman Romanchuk adjourned the Committee at approximately 11:14 a.m.



Mark Romanchuk, Chair



Beth Liston, Secretary