

Setting a Growth Target for Medicaid: Medicaid Responsibilities

Under ORC Section 5162.70, the Medicaid Director must

- Limit growth at an aggregate PMPM level across the entire program to the JMOC rate or 3 year average CPI, whichever is lower; and
- Improve the health of Medicaid recipients
- Reduce the prevalence of comorbid conditions and mortality rates of Medicaid recipients
- Reduce infant mortality rates among Medicaid recipients
- Help individuals who have the greatest potential to obtain income move to private health coverage

Setting a Growth Target for Medicaid: JMOC Responsibilities

Under ORC Section 103.414, JMOC must

- Contract with actuary to determine the projected medical inflation rate for the upcoming biennium
- Determine if it agrees with the actuary's findings
 - If not, JMOC must develop its own projected medical inflation rate
- Complete a report and submit to Governor and General Assembly



Ohio SFY22-23 Biennium

Phase 1: National Benchmarks and Considerations

DECEMBER 17, 2020

Agenda

- SFY22-23 Biennium
 - Phased Approach
 - National Benchmarks
- COVID-19 Considerations
- Next Steps

SFY22-23 Biennium Projections

- Phase 1: Provide national benchmarks and considerations for SFY22-23 Biennium
- Phase 2: Project Ohio's Medicaid medical inflation rate for the upcoming Biennium

SFY22-23 Biennium Phase 1

- Working with JMOC and ODM to secure data agreement and detailed data
- Phase 1 provides national benchmarks and considerations looking forward to Biennium, specific to COVID-19 considerations

Benchmarks: CPI Rate for Medical Services

- Medical CPI Benchmark

Medical CPI		
September	Midwest CPI	US CPI
2018	1.5%	1.7%
2019	3.0%	3.5%
2020	4.4%	4.2%
3 Year Average*	3.0%	3.1%

Source: US Bureau of Labor Statistics

*Simple average

- Measure of the average change overtime in the prices paid by urban consumers for a market basket of consumer goods and services

Benchmarks: CMS Published Projections

- CMS publishes National Health Expenditure (NHE) projections annually. Implied 2021 -> 2023 projected growth, based on data released in 2020:

NHE Medicaid PMPY Growth Projections	
Time Period	Average Annual
2021->2023	4.6%

- Projected growth for all Medicaid expenditures nationwide

Benchmarks: Recent Medicaid MCP Trends

CY17/18 to CY20 Trend Rates

COA	Lower Bound	Upper Bound
TANF	1.6%	4.2%
Disabled	2.5%	4.3%
Expansion	2.5%	3.5%

CY18/19 to CY21 Trend Rates

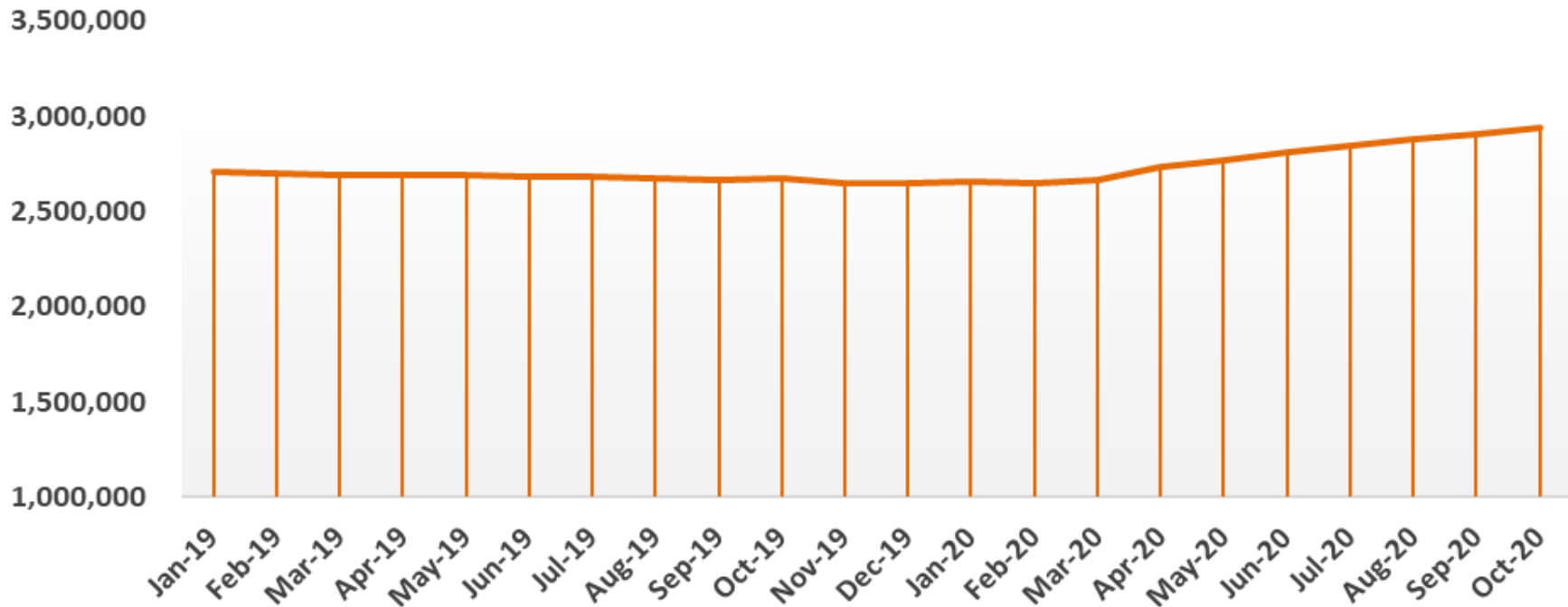
COA	Lower Bound	Upper Bound
TANF	2.4%	4.3%
Disabled	3.0%	4.6%
Expansion	3.3%	4.1%

- Trends reference other Medicaid programs across the nation
- These are secular trends, not rate changes

COVID-19 Considerations: Disenrollment Freeze

- Stipulation of Families First Coronavirus Response Act: Mandatory disenrollment freeze to obtain 6.2% FMAP enhancement

Total Ohio Medicaid Enrollment by Month



COVID-19 Considerations: Disenrollment Freeze

- SFY2021 likely to have suppressed PMPMs as a result of acuity differentials, which could lead to larger than anticipated growth from SFY2021 to SFY2022
- ODM reduced July – December 2020 capitation rates by approximately 3% for MMC program to account for this acuity differential

COVID-19 Additional Considerations

- Temporary enhanced FMAP
- Reduction in elective services
- Provider funding provisions
- Future considerations

Next Steps

- Secure data use agreement and receive detailed claims data and other supplemental data
- Understand key programmatic changes and considerations for Biennium
- Complete Phase 2: Project Ohio's Medicaid medical inflation rate for the upcoming Biennium
 - Target end of March 2021, dependent upon timing of data retrieval process

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