

**Joint Medicaid Oversight Committee
Minutes
February 27, 2025
136th General Assembly**

The Joint Medicaid Oversight Committee was called to order pursuant to the meeting notice at approximately 9:05 a.m. in the Senate Finance Hearing Room.

The clerk called the roll, and a quorum was present. The minutes of the October 17, 2024, meeting was approved without objection.

The Chair opened with an housekeeping matter. The Joint Medicaid Oversight Committee is requesting an amendment to the JMOC, Actuary current contract. CBIZ Optumas has served as JMOC's actuary since 2014 and were charged by Chair Romanchuk last year to complete a Retro JMOC Growth Rate. However, with the change in which ODM's claims data is given to Optumas, has eaten into the total costs allotted. JMOC is asking to amend the current contract to \$135,000 so that they can continue to act as our consultant during this budget and full projects.

Representative Gross moved that the Committee give the Executive Director, Jada Brady, the authority to amend the current contract with CBIZ Optumas and to not exceed \$135,000 for their actuarial services. Senator Ingram second the motion. The Committee voted and unanimously, approved the motion to amend CBIZ Optumas current contract, 6-0.

Chair Holmes gave the history of Ohio Revised Code 126.021, Medicaid caseload and expenditure forecast report. A new report resulting from language from a JMOC Member in House Bill 33, Ohio's Operating Budget for Fiscal Years 2024 and 2025, requiring that the Ohio Department of Medicaid work in consultation with Ohio's Office of Budget (OBM) and Management to help them produce the report. ORC 126.021 requires that the Director of OBM include the report as part of its budget submission to the governor no latter than January 1st and that the governor in turn submit the report to the General Assembly with the Executive's Budget. Holmes called forward the Director of Medicaid. Maureen Corcoran to review the report to the Committee, which would be followed by questions.

Director Corcoran began by stating she would first address components of the budget and then get into the today's agenda. Corcoran did not submit written testimony but stated that she would be glad to write up her notes and provide them to the Committee. Corcoran went into details of their requested budget and stated that according to her agency her budget submission was 2.9% for FY 2026 and 3.9% for FY 2027.

Senator Ingram noted that she received yesterday the agency's FY 2022 Report on Pregnant Women, Infants, and Children. ORC 5162.13, Annual report, requires that by January 1st of each year that ODM submit the report on the effectiveness of the medicaid program in meeting the health care needs of low-income pregnant women, infants, and children to the General Assembly and JMOC annually.

Ingram also stated there were too many emails from her agency yesterday and there is confusion as to what they are supposed to be reviewing today and the materials sent directly to Members. Although written testimony was not submitted, ODM directly sent to the Members documents for today's meeting. Corcoran explained that although they submitted their numbers to JMOC in an official report on October 1, 2024, as required by ORC 5162.70, Reforms to Medicaid program, they made some changes to the report for today's hearing. Corcoran then into a review of the Medicaid Caseload Expenditure Report.

Questions were asked.

Representative Gross asked considering there is a flat caseload, what is driving the increase in expense. Corcoran turned it over to Craig Figi, Chief Financial Officer of Medicaid, to provide the answer. The reasons given were attributed to three main items:

1. HealthCare inflation 5-6% inflation, i.e. drug prices are going up.
2. Aging population i.e. more costly to care for elderly adults.
3. Hospital Franchise Fee-Increase. GRF fees lower in first year and higher in second year of biennium.

Representative Gross requested information to show that Prior Authorization (PA) isn't being turned on and off again for needs such as medication, treatments, etc. She wants to see consistency as Prior Authorization saves between 5-7% in costs. Director Corcoran stated that Prior Authorization does exist. PA was shut off for a time due to the implementation of PBM but has since been reinstated.

Betsy Trulex-Powell, Budget Director, at the Ohio Department of Medicaid answered Representative Roemers question regarding almost a 1000% increase in retro-active Part D expenditures in 2024. Ms. Trulex-Powell explained Part D premiums come directly from CMS. ODM receives monthly invoices. The invoice consists of a list of current members and retroactive members. In 2024, there were a few instances where CMS had data transmission errors where they were not able to use ODM's data which resulted in a reported, low month of current members and a spike in retroactive. This is tied to the actual expenses as received.

Representative Roemer requested a line item, cost break down, of the policy decisions that impact Medicaid spending (all items listed in the second paragraph of page 14 of Medicaid Caseload and Expenditure Forecast Report).

Items include:

1. Medicaid services to be provided in the department of Behavioral Health funded crisis infrastructure expansion
2. Expansion of mobile response stabilization services
3. Increased categories of the US Food and Drug Administration approved coverage of obesity medication (GLP-1s)
4. Implementation of changes to self-direction and waiver alignment across partner agencies
5. Implementation of continuous eligibility for birth to three-years old
6. Expansion of MyCare program statewide

Representative Roemer noted that page 15 of the Medicaid and Expenditure Caseload Report shows claims going down by 11 million in 2023 and 2024, yet there being an increase in the dollars spent by \$3 million. Corcoran stated the increase is due to the rate increases in House Bill 33.

Representative Roemer requested that Corcoran submit in writing her testimony.

More questions were asked.

Representative Baker asked for additional information regarding the 'carve-out' language in the proposed budget as it relates to 340B program and impacts on hospitals.

Representative Gross asked when they will stop allowing preferential auto assignment to the newer Medicaid Managed Care Plans for those newly enrolled in Medicaid. Steven

Matthew Streamer, Deputy Director of ODM and Chief Data Officer stated that ODM and the MCO's are at 75% completion of the Quality Based Auto Assigned Program (QBA). QBA is not a random assignment, but an assignment algorithm based on quality scores. ODM projects the quality assignments will be completed by April 1, 2025.

Representative Gross requested data showing how each Medicaid Managed Care Plan is performing to ensure one or two aren't carrying the load for the others for all to receive the contracted-quality incentive payment. "Provide the metrics and how they are being tracked". Director Corcoran's response to Representative Gross was that she is describing is a "process measure" and ODM has been focused on outcome measures. Therefore, we have not been tracking. Yet ODM is aware of how these metrics are meet and can confirm the "peer pressure" that the MCO's put on one another to perform.

Representative Gross asked how the absorption of the Improvement Priority line item into the State Directed fund will affect the JMOC PMPM rate calculation. Director Corcoran referred to the explanation of the proposed hospital changes. Two pieces of language in the budget, as introduced, that has collapsed all the current- state directed payments into one statue. There is another line item where all the money would go for any state directed payment.

Representative Gross expressed concerns regarding ODM's Administrative costs and requested a detailed report of their current contracts, and where and how the money is spent. Director Corcoran stated they would have that information at the House Medicaid Committee scheduled March 4, 2025.

Chair Holmes moved on to the next order of business, asking Corcoran to review her Reforms to Medicaid Report that was submitted to JMOC on October 1, 2024. Holmes gave background on ORC 5162.70, Reforms to Medicaid program, that was enacted in 2014, that requires the Director of Medicaid to submit a Reforms to Medicaid Report annually to JMOC that shows how ODM has limited the growth of Medicaid by PMPM , as determined on an aggregate basis for all eligibility groups, for a fiscal biennium as well as other reporting requirements like infant mortality. The same JMOC Member who created the Medicaid Caseload and Expenditure Report also had language in H.B. 33 requiring ODM to include in the report their historical and projected Medicaid program expenditure and utilization trend rates by Medicaid program and service category for each year of the


upcoming fiscal biennium and an explanation of how the trend rates were calculated. ORC requires that the report be submitted to JMOC annually by October 1st.

Director Corcoran was call forward to review the submitted Reforms to Medicaid Report. Jada Brady, Director of the Joint Medicaid Oversight Committee, Jada Brady, was asked to provide clarifying explanation to the Members on what paperwork Corcoran was reading. Director Brady pointed out what document Corcoran was asked to review and turned it back over to Corcoran. While the ORC 5162.70 named the annual report the Reforms to Medicaid program, ODM is calling it a "Cost Containment Report".

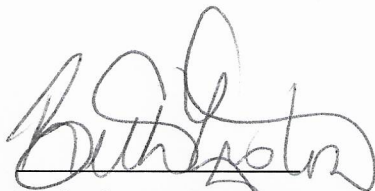
Questions were asked.

Chair Holmes closed the meeting by asking the director of ODM, of any federal changes that may be coming that Ohio should be preparing for. Director Corcoran noted there are several proposals being discussed in Washington, D.C. Proposals potentially affecting Medicaid including Group VIII and a gradual reduction of FMAP from 90% to 65%, that would cost the state \$33 million a month for each 5% reduction. The phasing out of the Hospital Franchise Fee and Work Requirements. ODM will pay close attention to the updates yet will continue to operate as the laws and rules are currently written and will adjust as needed.

Without further business, Chairman Holmes adjourned the Committee at approximately 10:53 a.m.



Adam Holmes, Chair



Beth Liston, Secretary