



Ohio Legislative Service Commission

Bill Analysis

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S.B. 145

130th General Assembly
(As Introduced)

Sens. Burke and Cafaro

BILL SUMMARY

- Requires the Medicaid Director to implement reforms to the Medicaid program that meet specified objectives.
- Requires the Director of Job and Family Services to implement reforms to workforce development activities that meet specified objectives.
- Creates the Joint Medicaid Oversight Committee (JMOC).
- Requires a state agency to file with JMOC a copy of a proposed rule that is drafted for the purpose of implementing a Medicaid or workforce development reform mandated by the bill.
- Requires JMOC to review the proposed rule not later than 30 days after it receives the rule.
- Permits JMOC to advise the Joint Committee on Agency Rule Review (JCARR) on whether the proposed rule is consistent with legislative intent.
- Authorizes JCARR to recommend the adoption of a concurrent resolution invalidating the proposed rule if the rule is unlikely to achieve the results that the bill intends.
- Requires JMOC to conduct a continuing study of the Medicaid and workforce development reforms mandated by the bill.
- Requires JMOC to prepare a report with recommendations for legislation regarding Medicaid payment rates for Medicaid services.

- Requires JMOC to prepare a report with recommendations for creating a pilot program under which peer mentors assist certain Medicaid recipients and their families to develop and implement plans for overcoming barriers to achieving greater financial independence and successfully accessing employment opportunities.
- Abolishes the Joint Legislative Committee on Health Care Oversight and the Joint Legislative Committee on Medicaid Technology and Reform.

CONTENT AND OPERATION

Medicaid reforms

The bill requires the Medicaid Director to implement certain reforms to the Medicaid program. The bill requires that the reforms to the Medicaid program reduce the relative number of individuals enrolled in the Medicaid program who have the greatest potential to obtain the income and resources that would enable them to cease enrollment in Medicaid and instead obtain health care coverage through employer-sponsored health insurance or the health insurance marketplace. This is to be achieved without changing the Medicaid program's eligibility requirements.¹ The following are the reforms the bill requires.

Limit the growth in Medicaid's per member per month cost

The first reform must provide for the growth in the per member per month cost of the Medicaid program (for the six-month period immediately preceding the first day of each January and the six-month period immediately preceding the first day of each July) to be not more than the average annual increase in the inflation rate for medical care as reported in the Consumer Price Index (for the most recent three-year period for which the necessary data is available as of that first day of January or July). The per member per month cost is to be determined on an aggregate basis for all eligibility groups. This reform is to be achieved in a manner that (1) improves the physical and mental health of Medicaid recipients, (2) provides for Medicaid recipients to receive Medicaid services in the most cost-effective and sustainable manner, and (3) removes barriers that impede Medicaid recipients' ability to transfer to lower cost, and more appropriate, Medicaid services.²

¹ R.C. 5162.70(C).

² R.C. 5162.70(A), (B)(1) and (2).

Reduction in number of individuals needing Medicaid

The second reform is to reduce the relative number of individuals who need Medicaid. This reform is to be achieved in a manner that utilizes (1) programs that have been demonstrated to be effective and have low costs, utilize volunteers, utilize incentives, or are led by peers and (2) the identification and elimination of Medicaid eligibility requirements that are barriers to achieving greater financial independence.³

Reduction in avoidable services

The third reform is to reduce the number of times that Medicaid recipients are readmitted to hospitals or utilize emergency department services when the readmissions or utilizations are avoidable.⁴

Recipient information about costs and payments

The fourth reform is to provide Medicaid recipients with information about the actual costs of Medicaid services and the amounts the Medicaid program pays for the services. This is to enable Medicaid recipients to use the information when choosing Medicaid providers.⁵

Workforce development reforms

The bill requires the Director of the Ohio Department of Job and Family Services (ODJFS) to implement certain reforms to workforce development activities. The Office of Workforce Development (OWD) in ODJFS develops and administers programs and services (in partnership with the Ohio Development Services Agency, Board of Regents, the Governor's Office, U.S. Department of Labor, local workforce investment boards, and other stakeholders) to promote job creation and advance Ohio's workforce. One of OWD's main responsibilities is to administer programs funded by the federal Workforce Investment Act of 1998 (WIA) by allocating and paying funds for the local administration of workforce development activities.⁶ A "workforce development activity" is a program, grant, or other function, the primary goal of which is to help individuals maximize their employment opportunities, help employers gain access to skilled workers, help employers retain skilled workers, help develop or enhance the skills of incumbent workers, improve the quality of the state's workforce, or enhance

³ R.C. 5162.70(B)(3).

⁴ R.C. 5162.70(B)(4).

⁵ R.C. 5162.70(B)(5).

⁶ R.C. 6301.03 (not in the bill).

the productivity and competitiveness of Ohio's economy.⁷ The following are the reforms the bill requires.

Reduction in number of individuals needing Medicaid

The first reform is to reduce the relative number of individuals who need Medicaid. This is to be achieved in a manner that utilizes (1) programs that have been demonstrated to be effective and have low costs, utilize volunteers, utilize incentives, or are led by peers, (2) educational and training opportunities, (3) employment opportunities, and (4) other initiatives the ODJFS Director considers appropriate.⁸

Relationship between educational facilities, workforce development activities, and employers

The second reform is to enhance the relationship between educational facilities, workforce development activities, and employers.⁹

Joint Medicaid Oversight Committee

The bill creates the Joint Medicaid Oversight Committee (JMOC). JMOC is to review proposed rules regarding the Medicaid and workforce development reforms discussed above, conduct a continuing study of the reforms, and prepare reports.

Composition and chairperson

JMOC is to consist of ten members. The President of the Senate and the Speaker of the House of Representatives are to appoint five members each from their respective houses, three of whom are members of the majority party and two of whom are members of the minority party. Vacancies must be filled in the same manner as the original appointment.

The Senate President, in odd-numbered years, is to designate JMOC's chairperson from among JMOC's Senate members. The Speaker is to designate the chairperson from among JMOC's House members in even-numbered years. In odd-numbered years, the Speaker must designate one of the minority members from the House as ranking minority member. The Senate President must designate one of the minority members from the Senate as ranking minority member in even-numbered years. The Senate President and Speaker are required to consult with the minority

⁷ R.C. 6301.01(E) (not in the bill).

⁸ R.C. 6301.15(A).

⁹ R.C. 6301.15(B).

leader of their respective houses when appointing members from the minority and designating ranking minority members.

JMOC must meet at the call of the chairperson, but not less often than once each month.¹⁰

Employees and contractors

The bill requires JMOC to employ the professional, technical, and clerical employees that are necessary for JMOC to be able successfully and efficiently to perform its duties. The employees are to be in the unclassified service and serve at JMOC's pleasure. JMOC is permitted to contract for the services of persons who are qualified by education and experience to advise, consult with, or otherwise assist JMOC in the performance of its duties.¹¹

Subpoenas and oaths

The JMOC chairperson, when authorized by JMOC and the Senate President and Speaker, may issue subpoenas and subpoenas duces tecum in aid of JMOC's performance of its duties. A subpoena may require a witness in any part of the state to appear before JMOC to testify at a time and place designated in the subpoena. A subpoena duces tecum may require witnesses or other persons in any part of the state to produce books, papers, records, and other tangible evidence before JMOC at a time and place designated in the subpoena duces tecum. A subpoena or subpoena duces tecum is to be issued, served, and returned, and has consequences, as specified in continuing law governing subpoenas issued by the chairperson of a standing or select committee of the Senate or House.

The bill permits the JMOC chairperson to administer oaths to witnesses appearing before JMOC.¹²

Reviews of rules implementing reforms

A state agency is required to file with JMOC a copy of a proposed rule that is drafted for the purpose of implementing a Medicaid or workforce development reform discussed above. This includes a new rule and the amendment or rescission of an existing rule. It also includes a revised rule that is filed with the Joint Committee on Agency Rule Review (JCARR).

¹⁰ R.C. 103.411 (first four paragraphs).

¹¹ R.C. 103.411 (fifth and sixth paragraphs).

¹² R.C. 103.411 (seventh and eighth paragraphs).

JMOC is required by the bill to review a rule not later than 30 days after it receives the rule. JMOC is permitted to advise JCARR on whether the rule is consistent with the intent of the bill's provisions that require the Medicaid and workforce development reforms. JMOC may give notice of and conduct a public hearing in the course of its review of the rule.¹³

JCARR is authorized by the bill to recommend the adoption of a concurrent resolution invalidating a rule that is proposed to be adopted, amended, or rescinded to implement a Medicaid or workforce development reform if the rule, amendment, or rescission is unlikely to achieve the results intended by the bill's provisions mandating the reforms.¹⁴

Continuing study of reforms

JMOC is required to conduct a continuing study of the Medicaid and workforce development reforms mandated by the bill. JMOC may plan, advertise, organize, and conduct forums, conferences, and other meetings at which representatives of state agencies and other individuals having expertise in the Medicaid program and workforce development activities may participate to increase knowledge and understanding of, and to develop and propose improvements in, the Medicaid program and workforce development activities. The ODJFS Director must submit to JMOC relevant statistics on workforce development activities to assist JMOC.

JMOC is permitted to (1) prepare and issue reports on its continuing study of the reforms, (2) solicit written comments on, and conduct public hearings at which persons offer verbal comments on, drafts of the reports, (3) recommend improvements in rules affecting the reforms, and (4) recommend legislation for improvement of statutes regarding the reforms.¹⁵

Report regarding Medicaid payment rates

The bill requires JMOC to prepare a report with recommendations for legislation regarding Medicaid payment rates for Medicaid services. The goal of the recommendations is to give the Medicaid Director statutory authority to implement innovative methodologies for setting Medicaid payment rates that limit the growth in Medicaid costs and protect (and establish guiding principles for) Medicaid providers

¹³ R.C. 103.41.

¹⁴ R.C. 119.03(I)(1)(g).

¹⁵ R.C. 103.412.

and recipients. The Medicaid Director must assist JMOC with the report. JMOC is to submit the report to the General Assembly not later than January 1, 2014.¹⁶

Report regarding peer mentors

JMOC is required to prepare a report with recommendations for creating a comprehensive pilot program under which peer mentors assist Medicaid recipients who are part of the Medicaid transition population (and the families of such recipients) to develop and implement plans for overcoming barriers to achieving greater financial independence and successfully accessing employment opportunities. The Medicaid transition population consists of (1) Medicaid recipients whose countable family incomes are within the top 25 percentage points of the income eligibility limit for the eligibility group under which they qualify for Medicaid and (2) Medicaid recipients whose countable family incomes are not less than the federal poverty line. JMOC must submit the report to the General Assembly, Medicaid Director, and ODJFS Director not later than June 30, 2014.¹⁷

Joint legislative committees abolished

The bill abolishes the Joint Legislative Committee on Health Care Oversight and the Joint Legislative Committee on Medicaid Technology and Reform.¹⁸

Under current law, the Joint Legislative Committee on Health Care Oversight is permitted to review or study any matter related to the provision of health care services that it considers of significance to the citizens of Ohio, including the availability of health care, the quality of health care, the effectiveness and efficiency of managed care systems, and the operation of the Medicaid program or other government health programs.

The Joint Legislative Committee on Medicaid Technology and Reform is authorized by current law to review or study any matter that it considers relevant to the operation of the Medicaid program. Priority must be given to the review or study of mechanisms to enhance the program's effectiveness through improved technology systems and program reform.

¹⁶ Section 4.

¹⁷ Section 5.

¹⁸ R.C. 101.39 and 101.391 (both repealed).

COMMENT

The bill refers to the Medicaid Director. Current law provides for a Medical Assistance Director who is the chief of the state's Medicaid agency (the Office of Medical Assistance in ODJFS). Am. Sub. H.B. 59, the main operating budget bill for the 130th General Assembly, includes a provision creating the Ohio Department of Medicaid (ODM) to serve as the state's Medicaid agency. The Medicaid Director is to be the chief of ODM. If this provision of H.B. 59 is not enacted, H.B. 208 would need to be amended to reflect current law governing Medicaid.

HISTORY

ACTION	DATE
Introduced	06-13-13

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