



## Governor's Office of Health Transformation

**John R. Kasich**, Governor

**Greg Moody**, Director

**FOR IMMEDIATE RELEASE: July 27, 2012**

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### **Kasich Administration Announces Next Steps to Modernize Medicaid** ***Plans Underway to Make Ohio Medicaid a Stand-Alone Cabinet Agency***

COLUMBUS – Today Greg Moody, director of the Governor's Office of Health Transformation, announced plans to transform the Office of Ohio Health Plans (Ohio Medicaid) from a division of the Ohio Department of Job and Family Services (ODJFS) into a state agency effective July 1, 2014. The change of Medicaid to department status is the next step in a series of Kasich Administration reforms to improve the performance of Ohio's \$18.8 billion Medicaid program.

"This is a change that is overdue," said Moody. "It has been recommended by separate study commissions in 2005 and 2006 but never acted on. Governor Kasich believes it is time to act and time for Medicaid beneficiaries and Ohio taxpayers to begin seeing the improvements that this transformation will provide, which is a program that will run better and more efficiently."

"Transforming the Office of Ohio Health Plans into its own department will help streamline administrative processes and allow ODJFS to focus more singularly on employment services, family assistance, child welfare and child support," said ODJFS Director Michael Colbert. "I look forward to working with staff, stakeholders and the Office of Ohio Health Plans on a smooth transition and the next phase of our shared mission of helping vulnerable Ohioans."

"In the past 18 months, we have passed legislation and begun implementing comprehensive reforms to improve the quality of health care for individuals served in the Medicaid program, saving the state more than \$1.5 billion in the process," said Ohio Medicaid Director John McCarthy. "But we have more work to do to create a Medicaid program that is easier for Ohioans to navigate, improves health outcomes and is fiscally sustainable. As a cabinet agency with more direct oversight of Ohio's Medicaid costs, we can better tackle these challenges."

Medicaid is the largest health payer in Ohio, serving 2.2 million Ohioans through a network of 75,000 health-care providers at a total cost of \$18.8 billion in 2012. Ohio Medicaid/ODJFS is currently the single state agency responsible to the federal government for the administration of the state's Medicaid program, though five other state agencies—Ohio Departments of Developmental Disabilities, Mental Health, Aging, Health, and Alcohol and Drug Addiction Services—also administer Medicaid-funded programs, with cross-agency coordination provided by the Office of Health Transformation.

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“A multi-agency team will begin working immediately, and in collaboration with the legislature and affected stakeholders, to lay the groundwork for creating a stand-alone Medicaid department,” Moody said. “A package of proposed legislative changes to finalize this change will be included in Ohio’s FY 2014-2015 budget, to be unveiled early next year. We are not expecting any layoffs and we will work hard to make the process as seamless and transparent as possible for staff and stakeholders.”

Ohio’s Medicaid program was established in 1968 as part of the Ohio Department of Public Welfare (now ODJFS). Ohio Medicaid has 388 employees. ODJFS has 3,280 non-Medicaid employees and a non-Medicaid budget of \$3.6 billion. ODJFS will continue to oversee the state’s public assistance, child protection, child support, workforce development and unemployment compensation programs.

For additional information, see:

<http://www.healthtransformation.ohio.gov/OrganizeGovernmenttoBeMoreEfficient.aspx>

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