



JOHN R. KASICH
GOVERNOR
STATE OF OHIO

Executive Order 2015-13K

The Emergency Adoption of Rule 5160-1-70 of the Ohio Administrative Code
by the Ohio Department of Medicaid

WHEREAS, the Ohio Department of Medicaid (“ODM”) administers the Medicaid program.

WHEREAS, ODM, together with the Governor’s Office of Health Transformation (“OHT”), is implementing episode-based payments as a new method to pay for the value of medical care provided to recipients.

WHEREAS, an “episode” is a defined group of related covered services provided to a recipient over a specific period of time, such as joint replacement or pregnancy and delivery, for which the recipient has been treated.

WHEREAS, for each episode, a provider’s performance on quality and average cost is compared to the expected standard for that type of episode in order to determine whether or not a provider is eligible for an incentive payment.

WHEREAS, the Centers for Medicare and Medicaid Service (“CMS”), through the Federal State Innovation Model Initiative, is providing financial and technical support to develop and test state-led, multi-payer health care payment and service delivery models that will improve health system performance, increase quality of care, and decrease costs.

WHEREAS, Ohio received a Federal State Innovation Model grant from CMS for \$75 million from 2015 to 2018 to implement and test episode-based payments and patient-centered medical homes in order to improve the quality and efficiency of health care in the state of Ohio.

WHEREAS, ODM and OHT have been collaborating with numerous stakeholders including over 150 medical care providers, Ohio’s five largest health insurance plans and all other Medicaid Managed Care Plans to develop an episode-based payment system, and this process has culminated in final decisions for the components of that system in November 2015.

WHEREAS, ODM has set January 1, 2016 – December 31, 2016 as the first full year for the episode-based payment performance period during which cost and quality is linked to incentive payments.

WHEREAS, to ensure implementation on January 1, 2016, ODM must adopt rule 5160-1-70 to be effective on that date, but there is insufficient time for ODM to do so using the regular rule filing process due to the intensive planning process that did not culminate until November 2015.

WHEREAS, section 5164.02 of the Ohio Revised Code authorizes ODM to promulgate rules for the Medicaid program.

WHEREAS, division (G) of section 119.03 of the Ohio Revised Code authorizes the Governor, upon the request of a state agency, to suspend the normal rule-making procedures with respect to specific rules when an emergency exists necessitating the immediate adoption, amendment, or rescission of such rules. When such a determination is made, the agency may immediately adopt, amend, or rescind such rules, but the rules are valid only for 120 days.

WHEREAS, ODM has requested a determination whether an emergency exists that requires the adoption of rule 5160-1-70 of the Ohio Administrative Code (“OAC”) on an emergency basis and that would therefore permit ODM, pursuant to section 5164.02 of the Ohio Revised Code, to adopt this rule to be effective on January 1, 2016, to allow for the implementation of the program on that date.

NOW THEREFORE, I, John R. Kasich, Governor of the State of Ohio, have determined, upon the request of ODM, that an emergency exists requiring the adoption of rule 5160-1-70 of the OAC so that the rule will be in effect on January 1, 2016.

Furthermore, I hereby order that the procedures prescribed by section 119.03 of the Ohio Revised Code with respect to the adoption of the specified rule be suspended and that ODM be permitted to adopt rule 5160-1-70 of the OAC with an effective date of January 1, 2016, by filing it electronically with the Secretary of State, the Director of the Legislative Service Commission, and the Joint Committee on Agency Rule Review (“JCARR”).

Furthermore, I hereby order that this Executive Order be filed in electronic form with ODM, the Secretary of State, the Director of the Legislative Service Commission, and JCARR.

I signed this Executive Order on December 22, 2015, in Columbus, Ohio, and it will expire one-hundred twenty days (120) from the effective date of the emergency rules, or upon the adoption of those rules through the normal JCARR process, whichever is sooner.



John R. Kasich, Governor

ATTEST:

Jon Husted, Secretary of State

