

Office of Health Transformation
Create a Unified Medicaid Budgeting and Accounting System

Background:

The Medicaid program spans multiple state agencies yet the accounting system and complex budget structure are not organized to track Medicaid budgets, expenditures, and performance across state agencies. This inability of the current structure to support an enterprise view of the program compels state staff to resort to time-consuming, manual, ad hoc reporting using multiple data sources – and the resulting product generally fails to accurately and transparently deliver the information necessary to track and manage the program.

Executive Budget Proposal and Impact:

The Executive Budget as introduced restructures Medicaid-related appropriations line items (ALIs) in a new way, so they can clearly roll up into an enterprise view of Medicaid for internal and external reporting purposes. The new structure captures ALL Medicaid spending across ALL agencies across ALL line items (see Figure 1). It removes non-Medicaid spending from Medicaid lines, so there is no confusion about the source or purpose of funding. The new structure also splits services from administration and support, which at first makes it seem as if administration costs have increased when in fact it is similar – but now administrative and support costs are being shown for what they are, providing greater budget transparency and a more accurate picture of how taxpayer dollars are actually being spent.

The new budget structure directly aligns with the Ohio Administrative Knowledge System (OAKS), which means actual spending can now be tracked, creating a real-time view of actual Medicaid spending statewide. The budgeting and accounting changes in this budget are a prelude to better performance tracking and reporting in the future. The new structure provides a foundation on which to build better analytic and reporting tools that will remake previously unusable data into business intelligence – the knowledge required to make better decisions about how to further modernize Medicaid and improve overall health system performance.

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**Figure 1.
Medicaid Budget Crosswalk from Current to Proposed Appropriation Line Item Structure**

| | CURRENT STRUCTURE | | | | | PROPOSED STRUCTURE | | | | | |
|--|-------------------|--------------|----------------------------|---|---------------------------|-------------------------|---------------|----------------------------|---|------------------|-------------------|
| | Fund Group | Current Fund | Current ALI | Current ALI Name | Full or Partial Medicaid? | Service, Admin or Both? | Proposed Fund | Proposed ALI | Proposed ALI Name | Double Counting? | Service or Admin? |
| Office of Medical Assistance/ Department of Medicaid | GRF | GRF | 600525 | Health Care / Medicaid | Partial | Both | GRF | 651525 | Medicaid / Health Care Services | N | S |
| | GRF | GRF | 600537 | Children's Hospital | F | S | | | | | S |
| | SSR | GRF | 600526 | Medicare Part D | | S | GRF | 651526 | Medicare Part D | N | S |
| | FED | 3F00 | 600623 | Health Care Federal | F | Both | 3F00 | 651623 | Medicaid Services - Federal | N | S |
| | FED | 3F00 | 600650 | Hospital Care Assurance - Federal | F | S | 3F00 | 651624 | Medicaid Program Support - Federal | N | A |
| | GSF | 5DL0 | 600639 | Health Care / Medicaid Support - Recoveries | F | Both | 5DL0 | 651639 | Medicaid Services - Recoveries / Rebates | N | S |
| | GSF | 5P50 | 600692 | Health Care / Medicaid Support - Drug Rebates | F | Both | | | | | |
| | GSF | 5FX0 | 600638 | Medicaid Payment Withholding | F | S | 5FX0 | 651638 | Medicaid Services - Payment Withholding | N | S |
| | SSR | 5GF0 | 600656 | Health Care / Medicaid Support - Hospital / UPL | F | S | 5GF0 | 651656 | Medicaid Services - Hospital / UPL | N | S |
| | SSR | 5R20 | 600608 | Long Term Care Support | F | Both | 5R20 | 651608 | Medicaid Services - Long Term Care | N | S |
| | SSR | 4J50 | 600613 | Nursing Facility Bed Assessment | F | Both | | | | | |
| | SSR | 4K10 | 600621 | DDD Support - Franchise Fee | F | S | 4K10 | No ALI | DDD Support - Franchise Fee | N | S |
| | SSR | 6510 | 600649 | Hospital Care Assurance Program Fund | F | S | 6510 | 651649 | Medicaid Services - HCAP | N | S |
| | GSF | 5KW0 | | Managed Care Performance Payments | F | S | 5KW0 | 651612 | Managed Care Performance Payments | N | S |
| | SSR | 4Z40 | 600625 | HealthCare Compliance | F | Both | | | | | |
| | GRF | GRF | 600425 | Health Care Programs | F | A | GRF | 651425 | Medicaid Program Support - State | N | A |
| | GRF | GRF | 600321 | Program Support | Partial | A | | | | | |
| | GRF | GRF | 600416 | Information Technology Projects | Partial | A | | | | | |
| | GRF | GRF | 600417 | Medicaid Provider Audits | F | A | | | | | |
| | FED | 3ER0 | 600603 | Health Information Technology | F | Both | 3ER0 | 651603 | Medicaid Health Information Technology Grant | N | A |
| | SSR | 5U30 | 600654 | Health Care Program Support | F | A | 5U30 | 651654 | Medicaid Program Support | N | A |
| | SSR | 5530 | 600629 | Health Care Program and DDD Support | F | A | | | | | |
| | FED | 3G50 | 600655 | Interagency | | Both | 3G50 | 651655 | Medicaid Interagency Pass-Through | Yes | Trans |
| | SSR | 5AJ0 | 600631 | Money Follows the Person | | Both | 5AJ0 | 651631 | Money Follows the Person | N | A |
| | SSR | 4E30 | 600605 | Resident Protection Fund | | S | 4E30 | 651605 | Resident Protection Fund | N | A |
| | FED | 3FA0 | 600680 | Health Care Grants Federal | | Both | 3FA0 | 651680 | Health Care Grants - Federal | N | S |
| SSR | 5KCO | 600682 | Health Care Grants State | | Both | 5KCO | 651682 | Health Care Grants - State | N | A | |
| Mental Health and Addiction Services | GRF | GRF | 333321 | Central Administration | Partial | A | GRF | 652507 | Medicaid Program Support | N | A |
| | GRF | GRF | 333403 | Pre-Admission Screening Expenses | Partial | A | | | | | |
| | GRF | GRF | 335501 | Mental Health Medicaid Match | F | S | | | | | |
| | GRF | GRF | 038501 | Medicaid Match | F | S | | | | | |
| | SSR | 5JW0 | 038615 | Board Match Reimbursement | F | S | | | | | |
| | FED | 3B10 | 333635 | Comm Medicaid Expansion | Partial | A | 3B10 | 652636 | Community Medicaid Legacy Costs | N | A |
| | FED | 3B10 | 335635 | Comm Medicaid Expansion | F | S | 3B10 | 652635 | Community Medicaid Legacy Support | Yes | S |
| | FED | 3J80 | 038610 | Medicaid | F | S | 3J80 | 652609 | Medicaid Legacy Costs Support | N | A |
| Department of Developmental Disabilities | GRF | GRF | 320321 | Central Administration | F | A | GRF | 653321 | Medicaid Program Support | N | A |
| | GRF | GRF | 322407 | Medicaid State Match | F | S | GRF | 653407 | Medicaid Services | N | S |
| | GSF | 1520 | 323609 | DC & Residential Operating Services | F | S | 1520 | 653609 | DC & Residential Operating Services | N | S |
| | FED | 3G60 | 322639 | Medicaid Waiver - Federal | F | Both | 3G60 | 653639 | Medicaid Waiver Services | N | S |
| | FED | 3M70 | 322650 | CAFS Medicaid | F | S | 3M70 | 653640 | Medicaid Waiver Program Support | N | A |
| | FED | 3A40 | 323605 | DC and Res Facility Svcs and Support | F | Both | 3A40 | 653605 | CAFSS Medicaid | N | S |
| | FED | 3A40 | 322653 | ICF Federal | F | S | 3A40 | 653604 | DC and Res Facility Svcs and Support | N | S |
| | FED | 3A40 | 322653 | ICF Federal | F | S | 3A40 | 653604 | DC & ICF/IID Program Support | | A |
| | SSR | 5GE0 | 320606 | Operating and Services | Partial | Both | 3A40 | 653653 | ICF/IID | N | S |
| | SSR | 5GE0 | 320606 | Operating and Services | Partial | Both | 5GE0 | 653606 | ICF/IID & Waiver Match | N | S |
| | SSR | 5CT0 | 322632 | Intensive Behavioral Needs | F | S | 5CT0 | 653607 | Intensive Behavioral Needs | N | S |
| | SSR | 5DJ0 | 322626 | Targeted Case Management Services | F | S | 5DJ0 | 653626 | Targeted Case Management Services | Yes | S |
| | SSR | 5EVO | 322627 | Program Fees | F | A | 5EVO | 653627 | Medicaid Program Support | N | A |
| SSR | 5Z10 | 322624 | County Board Waiver Match | F | S | 5Z10 | 653624 | County Board Waiver Match | N | S | |
| SSR | 4890 | 323632 | DC Direct Care Support | F | S | 4890 | 653632 | DC Direct Care Services | N | S | |
| SSR | 5S20 | 590622 | Medicaid Admin & Oversight | F | A | 5S20 | 653622 | Medicaid Admin & Oversight | N | A | |
| Department of Health | GRF | GRF | 440453 | Health Care Quality Assurance | Partial | A | GRF | 654453 | Medicaid - Health Care Quality Assurance | N | A |
| | GSF | 1420 | 440646 | Agency Health Services | Partial | A | | | | | |
| | FED | 3910 | 440606 | Medicare Survey and Certification | Partial | A | 3GDO | 654601 | Medicaid Program Support | N | A |
| | FED | 3920 | 440618 | Federal Public Health Programs | Partial | A | | | | | |
| Aging | GRF | GRF | 490423 | Long Term Care Budget - State | F | A | GRF | 656423 | Long Term Care Program Support - State | N | A |
| | FED | 3C40 | 490623 | Long Term Care Budget | F | A | 3C40 | 656623 | Long Term Care Program Support - Federal | N | A |
| Job and Family Services | GRF | GRF | 600521 | Family Assistance Local | Partial | A | GRF | 655522 | Medicaid Program Support - Local | N | A |
| | GRF | GRF | 600525 | Health Care / Medicaid | Partial | Both | GRF | 655523 | Medicaid Program Support - Local Transportation | N | A |
| | FED | 3F00 | 600623 | Health Care Federal | Partial | A | 3F01 | 655624 | Medicaid Program Support | N | A |