



JOHN R. KASICH
GOVERNOR
STATE OF OHIO

Executive Order 2011-02K

Creating the Governor's Office of Health Transformation

WHEREAS, Ohioans spend more per person on health care than residents in all but 13 states, and rising health care costs are eroding paychecks and profitability, yet higher spending is not resulting in higher quality or better outcomes for Ohio citizens compared to other states.

WHEREAS, Medicaid is the largest health payer in Ohio, with 60 million claims paid to 89,000 health care providers who served 2.4 million Ohioans in 2010.

WHEREAS, Medicaid spending is growing at an unsustainable rate, four times faster than the Ohio economy over the past four years, and now consumes 30 percent of total state spending and nearly three percent of the Ohio economy.

WHEREAS, Ohio Medicaid policy, spending, and administration is split across multiple state and local government jurisdictions, and this inefficient organizational structure impedes innovation and lacks a clear point of accountability for overall health system performance.

WHEREAS, Ohio has an opportunity to reset the basic rules of health care competition so the incentive is to keep people as healthy as possible, reward Ohioans who take responsibility to stay healthy, rely on evidence about what works so doctors and other health care professionals can deliver the best quality care at the lowest possible cost.

WHEREAS, Ohio has an opportunity to transform primary care from a system that reacts after someone gets sick to a system that keeps people as healthy as possible, prevents chronic disease whenever possible and, when it occurs, coordinates care to improve quality of life and helps reduce chronic care costs, and enables seniors and people with disabilities to live with dignity in the setting they prefer.

WHEREAS, Ohio has an opportunity to innovate constantly to improve health and economic vitality, and demonstrate to the nation why Ohio is a great place to live and work.

NOW THEREFORE, I, John R. Kasich, Governor of the State of Ohio, by virtue of the authority vested in me by the Constitution and laws of this State do hereby order and direct that:

1. The Governor's Office of Health Transformation ("OHT") is hereby created in order to carry out the immediate need to address Medicaid spending issues, plan for the long-term efficient administration of the Ohio Medicaid program, and act to improve overall health

system performance in Ohio. In the first six months following the effective date of this Executive Order, the OHT shall do the following:

- a. Advance the Administration's Medicaid modernization and cost-containment priorities in the operating budget;
 - b. Initiate and guide insurance market exchange planning;
 - c. Engage private sector partners to set clear expectations for overall health system performance;
 - d. Recommend a permanent health and human services organizational structure and oversee transition to that permanent structure.
2. I will appoint an Executive Director to lead the OHT. The OHT Director shall oversee and implement the activities described above. In order to carry out these responsibilities, the Director shall have the authority and discretion to employ and fix the compensation of OHT personnel, who shall be in the unclassified civil service. The OHT Director will be the appointing authority for the OHT and will be responsible for making all employment decisions relating to the OHT including, but not limited to, hiring, firing, disciplining, and promoting employees. In addition, the OHT Director shall have the authority and discretion to establish the organizational structure of the OHT.
3. All Cabinet Agencies, Boards and Commissions shall comply with any requests or directives issued by the OHT Executive Director or the OHT Executive Director's designee, subject to the supervision of their respective agency directors. This requirement extends, but is not limited to, the cabinet directors and employees of the following agencies and departments:
- a. Office of Budget and Management;
 - b. Ohio Department of Administrative Services;
 - c. Ohio Department of Job and Family Services;
 - d. Ohio Department of Developmental Disabilities;
 - e. Ohio Department of Mental Health;
 - f. Ohio Department of Alcohol and Drug Addition Services;
 - g. Ohio Department of Health; and
 - h. Ohio Department of Aging.
4. The Ohio Department of Job and Family Services will remain the single state Medicaid agency.

5. As the OHT Executive Director deems necessary, the OHT shall contract with state and/or private agencies for services in order to facilitate the implementation and operation of the OHT's responsibilities, based upon demonstrated experience and expertise in administration, management, data handling, actuarial studies, quality assurance, or other necessary skills.

I signed this Executive Order on January 13, 2011 in Columbus, Ohio and it will not expire unless it is rescinded.



John R. Kasich, Governor

ATTEST:

Jon Husted, Secretary of State

