

Testimony on Sub. House Bill 166
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May 7, 2019



OHIO COUNCIL
FOR HOME CARE & HOSPICE

Chairman Oelslager, Ranking Member Cera, and Members of the House Finance Committee, thank you for allowing me to provide testimony today on HB166—the state budget. My name is Joe Russell and I am the Executive Director at the Ohio Council for Home Care and Hospice (OCHCH). I'm testifying today to ask for your assistance to increase Medicaid home health rates.

Medicaid Home Health is at the Tipping Point

Ohio is dangerously close to a crisis point in its home health Medicaid program because home health providers are unable to cover the costs of providing care. These agencies are beginning to discharge their Medicaid caseloads due to abysmally low reimbursement rates and the inability to recruit and retain qualified providers. We're at the point where we need to seriously consider what the state will do if thousands of vulnerable Ohioans are left without the ability to stay home, and Medicaid spending explodes from the need to use most costly care to serve these individuals.

To avert this crisis the State of Ohio must increase skilled home health reimbursement rates to address Medicaid service gaps, issues surrounding workforce, and better prepare for the coming influx of patients.

Home health rates are less today than they were in 1998—no, this isn't a per capita adjustment. If you don't remember 1998, it was the year the first Apple iMac was released, the movie Titanic dominated the Oscars, Harrison Ford was the sexiest man alive, DVDs had just been released and there were no smart phones or social media. Back then a two-liter of Coke cost \$0.89, gasoline was \$1.09 a gallon, movie tickets were \$5 and the minimum wage was \$4.25 per hour.

Today, the world is very different and the cost of providing home care for Medicaid recipients far exceeds what Ohio reimburses for those services. Just like businesses in other sectors, home agencies are now faced with making tough decisions about the future of their agencies.

The low reimbursement rates themselves are not the only factors contributing to the current crisis. Agencies now have to deal with expensive federal Medicare mandates such as a major shift in the Medicare CoPs (conditions of participation), pre-claim review, and a new payment model called PDGM (patient-driven grouper model). On top of all that, agencies are straddled with having to implement EVV (electronic visit verification) for Medicaid community-based services, which is been more difficult and costly than even we expected.

But as Medicare has gradually increased its rates to lessen the impact of these mandates, Medicaid in Ohio has not. Now a critical gap has developed that is making serving Medicaid recipients tremendously difficult. There is a growing crisis with the lack

agencies willing to provide Medicaid home health services, with pediatric therapy in a partially vulnerable and dangerous position. This “access gap” will continue to grow as the Medicare population, whose patients are given a larger reimbursement, crowds out Medicaid recipients.

Home Health Rates Must Be Increased

During the HHS Subcommittee testimony process, there were representatives from 14 agencies that testified about the need for higher home health rates. They were clear that they can't continue to provide these services if they are not going to be funded at a level that allows them to cover their costs of providing care. Despite showing a clear need, OCHCH was stunned when the substitute bill was released and there was no proposed increase for skilled home health.

This is the fifth biennium for which representatives of the administration—multiple directors from multiple agencies from two administrations—have testified that in order for Ohio to keep Medicaid spending under control we must invest in home and community-based services. Yet, where are these investments? Home health agencies are making eight cents less than they did in 1998. If there's something more we need to do to show that this is an important area to invest, then please tell us because at this point we're baffled. If Ohio just doesn't want to invest in home health, then that's unfortunate, but if that's the case then our members would like if policy makers would stop saying that home and community-based services are a priority, when clearly it is not.

The bottom line in that Ohio must stabilize home health rates to avoid the pending crisis that could leave thousands of Ohioans without care. To address this issue, OCHCH proposes a budget amendment that would provide:

- An increase to home health state plan services (aide, nursing, and therapy);
- An increase to private duty nursing (PDN) and Ohio Home Care Waiver nursing and aide services;
- An unit realignment so the “base rate” is paid after the first unit of service now that EVV uses straight units; and
- An elimination of the registered nurse (RN) and licensed practical nurse (LPN) distinction.

Our request was based on a percent of the current “Medi-Gap”, which is the difference between Medicare and Medicaid.

HH Discipline	Medicaid Base Rate	Medicare Per-Visit Payment	Difference
Aide	\$23.57 (after 35 minutes)	\$66.34	\$42.77
Skilled Nursing	\$47.40 (after 35 minutes)	\$146.50	\$99.10
Occupational Therapy	\$69.94	\$161.24	\$91.30
Physical Therapy	\$69.94	\$160.14	\$90.20
Speech-Language Pathology	\$69.94	\$174.06	\$104.12

Rate Increase Request

HH Discipline	Difference	Total Increase Requested	New Base Rate
Aide	\$42.77	\$8.55	\$32.12
Skilled Nursing	\$99.10	\$19.82	\$67.22
Occupational Therapy	\$91.30	\$18.26	\$88.20
Physical Therapy	\$90.20	\$18.04	\$87.98
Speech-Language	\$104.12	\$20.82	\$90.76

This investment would cost the state around \$65 million over the biennium and would allow Ohio to draw-down \$177 million total when matched with federal dollars. We think this is a reasonable request given the amount of new money in this Medicaid budget, as well as the fact that rates are at 1998 levels—that's equal to \$3 million over that time span.

In conclusion, we ask that you support the increase of home health rates. An amendment will be submitted to increase our rates by 2.7%. While this is far below our request, the request is in line with the increases given to other Medicaid long-term providers. I humbly ask that you consider the points made in my testimony today and I ask for your support to increase Medicaid skilled home health rates.

Thank you. I'm happy to answer any questions you may have at this time.