

**Testimony on House Bill 166
State Biennium Budget
Laura Czuba, Interim HealthCare
April 9, 2019**

Chairman Romanchuk, Ranking Member West, and Members of the House Finance Subcommittee on Health and Human Services, thank you for allowing me to provide testimony today on HB166—the state budget.

My name is Laura Czuba, and I am the Senior Manager of Business Applications for Interim HealthCare representing over 43 Home Care and Hospice Locations in Ohio. In 2018, we provided over 400,000 hours of care to Ohio Medicaid recipients/clients.

I come before you today asking for your assistance to stabilize skilled home health Medicaid rates, which are nearing a crisis because they are so low. For me, this crisis hits home, personally. Today, I will share how.

The lack of investment in home health has created critical access issues for some services and has left many patients forced to seek more expensive care in nursing homes or hospitals. With Medicare expenditures three times higher than Medicaid, and with expensive new regulatory requirements such as EVV, my agency's ability to continue to provide Medicaid services is now in jeopardy.

By 2020, some estimate 117 million Americans will need assistance with daily living (Forbes, 2018).

From 2016 to 2026, the projected employment growth for home health aides and personal care aides is to grow by 41% with more than 1,208,800 more opens (BLS Occupational Outlook, 2018).

There is a caregiver shortage leading to an ever-increasing need for creating long-term relationships between a company and a caregiver, which is difficult to do with such low reimbursement rates. Creating employment opportunities with fair wages is crucial to supply caregivers for this increasing demand.

Turnover is an industry wide problem with a rate of 67% in 2017 (Leading Home Care, 2018). With an average cost per turnover being as high as \$4,200, retention of caregivers is a priority for many home care companies (HomeCare Magazine, 2016).

The nature of home care – independently providing care in patients' homes – leads to low engagement rates, high turnover, and challenges for home health care companies to recruit and retain given our reimbursement rates.

Ohio Medicaid's reimbursement rates are the same as they were in 1998; the minimum wage was \$4.25/hr. Today, the minimum wage is \$8.55/hr, that's a 50% increase. Nursing homes are paying an average of \$13/hr.

Additional rules and regulations have increased the cost of running a home care agency that is the electronic visit verification rule. With the new EVV rule, agencies have incurred additional costs associated with providing care to Ohioans.

If the company chose to use an alternate EVV vendor, like we, Interim Healthcare did, the cost associated with the integration with the Sandata Aggregator has been upwards of \$112,000; this excludes the recurring cost of a system and maintenance. I did not want to include this cost since Medicaid does provide Sandata at no cost to agencies.

If a company chose to use the Medicaid provider, Sandata, free of charge, the additional administrative cost for a company of our size for entering and managing clients and employees in two systems is estimated at \$203,000, annually.

All this information is meaningless until you know the individuals impacted by agencies struggling to compensate caregivers fairly and keep up with increasing cost of compliance.

My Mother, Kathleen, had a severe brain stroke 27 years ago; she is only 65 years old. She has limited speech and is paralyzed on her right side, requiring a legal guardian, me, and care to assist with daily living activities.

This past Sunday, two days ago, I was there, as I usually am. It was a fun day. She had an accident. It was, let us just say, explosive and ideally would have happened closer to a toilet. We had to get in the shower to get cleaned up. My Mom will need care for the rest of her life. She will be a Medicaid recipient in less than two years and it terrifies me to know agencies may not be able to provide her care because reimbursement rates are so low and they are competing with companies such as Amazon, McDonalds, and even Nursing homes.

The more agencies are unable to provide care to Ohioans in need of home care, the more their families will be taken away from their jobs, affecting the Ohio economy and honestly, the health of our population.

If agencies are unable to increase their pay rates due to Medicaid's reimbursement rates, more and more patients such as my Mom will be left to be cared for by their family members or worse, no one and end up going to a nursing home for care. Nursing home care is about \$250/day, \$7,500/month compared to less than \$70 for three hours of home care.

Were you aware of how reimbursement rates and the cost of compliance a home care agency are affecting our caregivers, clients receiving services in Ohio? Or how they affect the Ohio economy?

We cannot continue to provide Medicaid services if the State of Ohio is not willing to support reimbursement rates that cover the costs of providing care. This is not something that we take lightly, but when Medicare pays three-times more for the same services and the number of Medicare recipients is growing, it is a simple economic decision.

It is for these reasons that I humbly ask for your help with increasing the home health Medicaid rates in this budget. Thank you again for allowing me to testify today. I am happy to answer any questions you may have at this time. Thank you.