Testimony on House Bill 166
State Biennium Budget
Judy Fisher, RN, BSN, MBA
Visiting Nurse Association of Ohio
April 10, 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 Judy Fisher and I am the Director of Operations at Visiting Nurse Association of Ohio for our Mid-Ohio office in Mansfield. I come before you today asking for your assistance to stabilize and update skilled home health Medicaid rates, which are so low that they are not viable to support patient access to needed home care. .

As an Ohioan and a home care nurse, I have been proud of the policy strides that the state has made over the last decade. Ohio has led the nation in propelling Medicaid policies that are intended to support clinically appropriate patient placement in the home and community, as opposed to unnecessary placement in institutions. In general, patients prefer to be at home and by gearing policies to enable and support care at home, we are able to honor their preferences. I was shocked to learn recently that in some other states, facility-based care is the default option for Medicaid patients, even if their preference is to receive care at home; such policies are bad for patients as well as state budgets because facility-based care is far more expensive than home-based care. Ohio's policies now enable patients to be referred to home and community-based care when they prefer it. I applaud you as policy-makers for this key change.

That said, in order to enable and support home-based carefully and truly, the payment for such services must be adequate. Medicaid skilled home health rates have been static for the last 21 years. The cost the VNA incurs for providing skilled home health care to Medicaid patients far exceeds the payment we receive. The lack of investment in this area has created critical access issues for some services and has left many patients forced to seek more expensive care in institutions, directly undermining the goal of enabling more Medicaid patients to receive care in the home consistent with their preferences. Our agency's ability to continue to provide Medicaid services is now in jeopardy.

Visiting Nurse Association of Ohio provides comprehensive home health and hospice services to 17 counties in Northeast Ohio. As a nonprofit organization, VNA of Ohio has been actively pursuing the mission of providing services to those underserved and vulnerable patients within the communities where we provide care. Since 1902, mission-driven staff members have cared for residents within the communities we live and serve. Because of our storied legacy, VNA of Ohio is looked to as the leading experts in home health care in NEO.

Unfortunately, the growing chasm between Medicaid rates and the costs we actually incur are now too great to sustain. In 2019, we anticipate a loss of $412,000 (a 60%

increase over 2018) as we have had to adjust rates for home health aides and nurses but the reimbursement rates remain stagnant. As a non-profit agency we aim to provide quality care with a break-even margin. This current trend of annual loss threatens are ability to continue providing care to the vulnerable Medicaid population within our communities.

Low payment rates also have an adverse effect on our ability to obtain and keep qualified healthcare providers. The average cost to provide home health care to a Medicaid client is approximately $137 with an average reimbursement rate of $82.28 per visit, leaving the provider (us) with a deficit of **$54.72**. The cost of providing this much needed care puts agencies like ours at risk for sustainability into the future. We are unable to provide higher pay rates to those that have dedicated their lives to providing this care. Home health agencies are challenged to provide a livable wage to our dedicated home care aides when they can go to Starbuck, Hobby Lobby, Lowes, Amazon for a starting wage of starting $3-4 dollars over our starting wage for a job less physically challenging, and no wear and tear on the vehicle they cannot afford to fix at the wage of a home healthcare aide.

Furthermore, Medicaid rates for mental health services and personal care services are also inadequate to cover operating costs. VNA of Ohio is currently one of a very few select agencies in Ohio to provide skilled mental health services to Medicaid patients in their homes, but low payment rates for these services threatens our ability to continue these services. In addition, because we suffered a significant operating loss on Medicaid home and community based services in 2018, we recently made the difficult decision to discontinue such services effective May 1.

I personally have been making home visits the past two weeks to the clients affected by losing services due to this financial loss to our agency. I wanted to put a face with the clients that are adversely affected by this economic decision. Just yesterday I met with an 82-year old legally-blind lady who talked with me about how grateful she has been for our services to allow her to spend her final days in her home. On Monday, I met with 98-year old gentleman that was thankful for the services to allow him to remain in his home and relieve some of the burden of caring for him from his family.

We cannot continue to provide Medicaid services to these families if the State of Ohio does not have payment rates that cover the costs of providing care. This is not something as a nonprofit healthcare provider that we take lightly, but we simply cannot continue to incur such extreme operating losses. We have operated for 117 years serving the vulnerable patients of Ohio. We hope that you will support updating Medicaid skilled home health payment rates so that we can operate to benefit the public for many years to come.

I thank you Chairman Romanchuk, Ranking Member West, and Members of the House Finance Subcommittee on Health and Human Services for allowing me to testify today and appreciate your support.