



Ohio Children's Hospital Association
Saving, protecting and enhancing children's lives

Nick Lashutka

President & CEO, Ohio Children's Hospital Association

Testimony before Ohio House of Representatives Finance Subcommittee on Health and Human Services

HB 166 – As Introduced

Thursday, April 11, 2019

Good morning Chairman Romanchuk, Ranking Member West and members of the Ohio House Finance Subcommittee on Health and Human Services. My name is Nick Lashutka and I am here to testify as a proponent to HB 166 as President & CEO of the Ohio Children's Hospital Association (OCHA).

Ohio has the world's best statewide network of children's hospitals – Akron Children's Hospital, Cincinnati Children's, Dayton Children's, Nationwide Children's Hospital, UH/Rainbow Babies & Children's Hospital and ProMedica Toledo Children's Hospital. Several of our institutions are ranked among U.S. News & World Report's best children's hospitals, and all our members are ranked best in class in the nation in various aspects of pediatric care.

All our members are members of the Ohio Hospital Association (OHA) and we partner very closely with OHA on issues affecting the hospital industry and specifically about policies affecting children's health and health care.

Ohio's children's hospitals are also significant employers. Our six hospitals employ 40,000 Ohioans – including 6,200 employed physicians – providing good paying, high quality jobs and serving as economic engines for our communities throughout Ohio. Our researchers and medical professionals are leading the nation in health care innovation, pediatric research, and quality and patient safety initiatives.

Importantly, in addition to my role as President & CEO of OCHA, I'm also here today as a parent of four children – all of whom have benefitted from the outstanding quality of care, groundbreaking research, and world class patient safety efforts of such incredible pediatric institutions in our state. We are so fortunate in Ohio that our greatest asset – our children – have access to world-class affordable health care that is a great value to taxpayers.

Ohio Children's Hospital Facts:

Before talking about specifics of HB 166, I wanted to share a few facts about our membership and the unique critical role children's hospitals play in Ohio's health care delivery system.

- Ohio is the only state in the nation with a flagship children's hospital within a two-hour drive of every family, including our most rural parts of the state. This is the direct result of the state making a priority to regionalize pediatric health care within specific perinatal regions as defined by the Ohio Department of Health.

- Ohio children's hospitals received more than \$294 million in competitively awarded pediatric research grants from the National Institutes of Health (NIH) and other funding last year – more than any other state in the country.
- OCHA members collectively provide more than \$1 billion in community benefit annually.

Ohio Children's Hospitals Solutions for Patient Safety (SPS):

In addition to being President & CEO of OCHA, I also have the privilege of serving as President of SPS which includes our six-member OCHA hospitals plus the Cleveland Clinic Children's Hospital and Mercy Children's Hospital in Toledo. SPS is the national leader in pediatric patient & employee safety. By partnering with Ohio's business community and specifically the Ohio Business Roundtable and Cardinal Health, we have brought the rigor of High Reliability Organizations into the health care setting and made a commitment to eliminate serious harm in our hospitals. SPS is one example of the incredible power of Ohio's children's hospitals – because by working together we are able to achieve better results faster – and help each other succeed in a way we could not do as effectively or efficiently as individual hospitals.

In January, we celebrated our 10-year anniversary in the Ohio Statehouse. These last 10 years have included numerous achievements – culminating with SPS earning the nation's most prestigious patient safety award in 2018 – the National Quality Form and the Joint Commission John M. Eisenberg Patient Safety & Quality Award.

More important than awards, however, are the children we have saved from serious harm with our work – more than 10,000. Additionally, we have saved more than \$173 million – costs that would have been associated with this harm had it not been prevented.

Our success has attracted interest from children's hospitals across the country – and continent – and our SPS network is the patient safety arm of our national Children's Hospital Association and consists of over 140 children's hospitals across North America. In short, we are exporting the knowledge, learning and leadership of Ohio's children's hospitals across the globe.

Importance of Medicaid & CHIP to Children and Pediatric Providers:

Stable, Predictable & Adequate Medicaid Funding: Stable, predictable and adequate funding mechanisms for children's health and children's health care in our state are mission-critical to our ability to continue to provide better outcomes and make important investments upstream in the health care delivery system on social determinants of health and population health initiatives.

- All 2.6 million Ohio children receive the highest quality care in our hospitals when needed, regardless of their family's ability to pay – including the more than 1.25 million children enrolled in Ohio Medicaid.
- Over half of the patients in children's hospitals (53%) rely on Medicaid for their insurance coverage, by far the highest share of Medicaid patients of any hospital type.
- Ohio Children and Medicaid Coverage Facts: *please see attached graphic*

FACT: Ohio's Medicaid costs for children are among the lowest of any state nationwide. Medicaid costs for children in Ohio are 20% below the national average. And Ohio ranks 47th nationally in costs per month for pediatric Medicaid expenditures. Children make up 40% of the enrollees in Ohio Medicaid but only account for 14% of the cost.

- Medicaid Hospital Shortfall: Medicaid reimbursement does not cover the costs of providing care to the children we're privileged to serve. According to the most recent data available, the gap between Medicaid payments and the cost to provide that care is \$384 million for our six members, despite the benefit of supplemental payment programs such as the Hospital Franchise Fee and the Hospital Care Assurance Program (HCAP).
- The Ohio Hospital Association (OHA) and OCHA have worked diligently over the several months with Governor DeWine's policy team to advance creative and innovative proposals to reform Ohio's Medicaid program, and we are pleased to see HB 166 contains the provisions for the Hospital Franchise Fee as recommended by the OHA and supported by the OCHA, and continuation of the Hospital Care Assurance Program (HCAP).

Ohio's Children's Hospitals Call on Ohio Leaders to Come Together to Address Key Challenges Facing Ohio Children – Health Policy Institute of Ohio Assessment of Child Health and Health Care in Ohio:

In 2018, OCHA commissioned the Health Policy Institute of Ohio (HPIO) to provide a single, comprehensive, objective assessment of the state of child health in Ohio, contributing factors and recommended solutions because no statewide resource for child health exists. HPIO analyzed national and statewide data and worked with a multi-sector advisory committee of pediatric clinicians, experts and advocates to develop this assessment.

The Assessment was unveiled at our Vote for Ohio Kids Leadership Forum on September 27, 2018 – a statewide child advocacy event led by OCHA and Groundwork Ohio hosting over 700 business, healthcare, and early education leaders committed to investing in Ohio's next generation.

To our knowledge, this is the first comprehensive state level assessment of child health done anywhere in the country. We felt this work was necessary, as in order to improve child outcomes, we need to have accurate and robust data to inform policy interventions.

Executive Summary: Assessment of Child Health and Health Care in Ohio: *please see attached graphic*

Despite the fact that Ohio has access to some of the most outstanding children's hospitals and network of pediatricians in the country, *Ohio ranked in the bottom half of states on 65 percent of national child health metrics.*

This disturbing metric is attributed to the fact that just 20% of child health is impacted by actual clinical health care (access, quality, care coordination and transition), while 80% of child health is impacted by non-health care factors, including:

- Health behaviors: physical activity, nutrition, impulse control and self-regulation and tobacco use
- Physical environment: housing, air quality, access to parks/green space
- Social/economic environment: education, income, neighborhood safety and racism/discrimination

Improved child health and wellbeing in Ohio can only be achieved if we work together to reach these goals:

- **Eliminate gaps in child outcomes.** All young Ohioans have the opportunity to make healthy choices and achieve optimal health, regardless of their race/ethnicity, family income, where they live or other social, economic or demographic factors.
- **Promote economic vitality for Ohio families.** All families in Ohio have the opportunity to achieve financial and housing stability.
- **Evaluate Ohio's progress toward improving child health.** Ohio makes strong investments in data collection, research and evaluation of strategies to improve the health of young Ohioans.
- **Pay for child health and wellbeing.** Payments to providers incentivize improved child health and wellbeing, are based on population-level outcomes, address the modifiable factors of health and are stable, predictable and adequate.

Ohio needs a comprehensive approach to address child health, focusing on these top three child health policy priority areas: **1) mental health and addiction 2) chronic disease, which in pediatrics is prevention and 3) maternal and infant health.**

Ohio's children's hospitals are drawing a line in the sand on these three issues and are ready to lead the charge to identify and implement opportunities for improvement, but this requires public and private sector collaboration from a wide variety of entities – specifically and importantly the Governor – state policymakers, providers of healthcare services, insurers, schools, community-based organizations and the support of parents, caregivers and families.

HB 166: Governor Mike DeWine's Executive Budget **Key Provisions Impacting Children Supported by OCHA**

Governor DeWine clearly understands that prioritizing children is an investment in the future of all Ohioans – our future workforce, citizens and leaders. He has demonstrated his commitment time and again over the last four months through several executive orders impacting children and, most notably, with his first act as Governor by appointing LeeAnne Cornyn as Director of Children's Initiatives. We applaud the Governor's leadership.

We are supportive of HB 166 because it continues an outcomes-driven policy agenda to improve children's lives in Ohio, and makes important investments in children through the following provisions:

- **Stable, Predictable and Sufficient Medicaid Funding:** HB 166 maintains physician and hospital Medicaid reimbursement rates. Importantly, HB 166 updates the Hospital Franchise Fee methodology to realign and balance the program.
- **Healthy Moms & Babies – Evidenced Based Home Visitation:** Governor DeWine seeks to triple the number of families receiving vital services through this important program. HB 166 provides needed investments to these programs, such as Every Child Succeeds in Cincinnati, which has zero disparities between infant mortality rates for black and white babies.
- **Lead Testing and Poisoning:** HB 166 elevates the importance of combating lead poisoning with new resources for lead testing and abatement. This issue is a statewide problem with particular challenges on our North coast.

- Bureau of Children with Medical Handicaps (BCMh): HB 166 makes modest additional investments for this important program, which is a payor of last resort for families with children with medically complex children. BCMh allows parents to continue to remain in the workforce while ensuring their children receive medically necessary care.
- Behavioral Health Care in Ohio Schools: Ohio has a crisis in pediatric behavioral health. HB 166 makes both treatment and prevention of behavioral health for kids a priority. Of particular importance to children's hospitals is the development of a statewide multi-sector effort focused on behavioral health prevention, which we are currently working on with Governor DeWine and his team. Importantly, HB 166 also invests in telehealth services for children in schools for behavioral health services.
- Improving Wellness for Kids through Comprehensive Primary Care: HB 166 recognizes the unique challenges and needs of children by creating a pediatric specific Comprehensive Primary Care (CPC) program for children. Well-intentioned current efforts fail to account for the nuances of pediatric health care delivery and the physicians and hospitals who provide care for our state's children.
- Procuring New Managed Care Contracts: While technically not part of HB 166, OCHA is focused on how we can work with Governor DeWine and the members of the Ohio General Assembly to align financial incentives for providers with health care delivery system goals and objectives.
- Tobacco 21: HB 166 raises the age for purchasing tobacco products and alternative nicotine products to the age of 21. Tobacco and nicotine are major contributors to poor child health outcomes across mental health and addiction, chronic disease and maternal and infant health. Combatting youth tobacco use will help improve child health outcomes.

The As Introduced version of HB 166 elevates the importance of investing in Ohio children and ensures Ohio's children have access to critical services and quality health care they need to thrive. The Governor's proposal demonstrates that he understands the complexity of children's health care. Children are not simply "little adults." They require health care that addresses their unique and specific needs as they grow and develop. They are our state's most precious asset.

In closing, we are proud of our collaboration with our patients, families and communities to provide the right care in the right place at the right time efficiently and effectively. We look forward to working with legislative leadership and the DeWine Administration to raise child health outcomes in Ohio.

Thank you as always for your time, and I'd be pleased to answer any questions.



Ohio Children's Hospital Association
Saving, protecting and enhancing children's lives

OHIO'S CHILDREN AND MEDICAID COVERAGE: THE FACTS

Medicaid is the single most important public policy issue affecting the stability of children's healthcare access and coverage in Ohio.

HEALTH CARE FOR CHILDREN IS A GOOD INVESTMENT:

- Children make up more than 40% of enrollees in Ohio's Medicaid program, and yet account for less than 20% of the overall cost.⁵
- According to the Office of Health Transformation, the annual costs for children enrolled in the Ohio Medicaid program are 22% below the national average.⁵

OHIO CHILDREN FROM EVERY CORNER OF THE STATE RELY ON MEDICAID FOR HEALTH CARE COVERAGE:

- 1.25 million¹ children rely on Medicaid for healthcare coverage. This is nearly half of Ohio's 2.6 million children²
- More than half of the patients in children's hospitals rely on Medicaid for health care coverage – 53% of all patients who receive care in children's hospitals have Medicaid for insurance.⁶
- Medicaid covers all youth in foster care – many of whom are displaced due to the opioid epidemic.⁷
- Medicaid significantly impacts every area of Ohio – from the most rural areas to the most populated urban areas. The following is a breakdown of percentages of Ohio children enrolled in Medicaid by county type.⁴

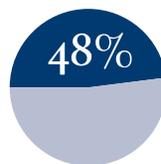
APPALACHIA



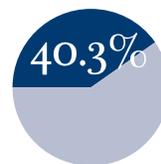
METRO



RURAL



SUBURBAN



MEDICAID COVERAGE IS CRITICAL TO CHILD HEALTH & WELLNESS IN OHIO:

Access to essential healthcare services for all Ohio kids helps to ensure they grow up as healthy, productive adults. Adequate, stable, predictable funding for children covered by Ohio Medicaid is critical to the health of our children, our future workforce and the long-term vitality of our state.

By enrolling eligible children in Medicaid early in childhood, Ohio can help them have healthier lives in youth and adulthood. Consider that children who are enrolled in Medicaid early in life³:

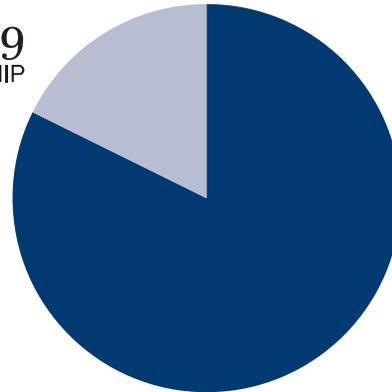
- Do better in school: better reading test scores in the 4th and 8th grades, better attendance rates, and decreased high school dropout and increased college attendance and completion.
- Grow up to be healthier as adults: lower rates of high blood pressure, type 2 diabetes, heart disease or heart attack, and obesity.
- Grow up to be adults who earn higher wages and pay more in taxes.

IMPORTANT FACTS

ABOUT OTHER TYPES OF HEALTH CARE COVERAGE FOR OHIO'S CHILDREN:

- **Adult Medicaid Expansion (to 138% of poverty) did not benefit Ohio children. Less than 1% of Ohio children receive coverage from Medicaid Expansion.**⁸ Prior to adult Medicaid expansion, Ohio children were already eligible up to 206% of the Federal Poverty Limit (FPL), and children's hospitals sought to aggressively enroll eligible children and families to ensure they had the coverage they needed.
- While the rate has recently increased, **Ohio's uninsured rate for kids, at 4.5% or approximately 125,000 children, remains below the national average.** A good portion of these children are eligible for Medicaid or CHIP but are not currently enrolled.¹⁰
- The Federal Children's Health Insurance Program (CHIP) is critical to ensuring kids in families that earn too much money to qualify for Medicaid but not enough to buy private insurance receive coverage. In Ohio, the CHIP program is run in combination with the state's Medicaid program.⁹

221,229
Children with CHIP



1,028,432
Children with Medicaid ONLY

¹Average number based on state Medicaid reports for SFY18.

²<https://www.census.gov/quickfacts/oh>

³<http://ccf.georgetown.edu/2017/04/19/snapshot-source-2/>

⁴2017, Ohio Kids Count, Children's Defense Fund – Ohio

⁵Ohio Office of Health Transformation

⁶OCHA Members, self-reported

⁷Ohio Medicaid

⁸SFY 2016 Medicaid Snapshot, Ohio Department of Medicaid

⁹<http://medicaid.ohio.gov/Portals/0/Resources/Reports/Caseload/2018/05-Caseload.pdf>

¹⁰https://ccf.georgetown.edu/wp-content/uploads/2018/11/UninsuredKids2018_Final_asof1128743pm.pdf



Ohio Children's Hospital Association

Saving, protecting and enhancing children's lives

www.OhioChildrensHospitals.org

155 E. Broad Street
23rd Floor
Columbus, Ohio 43215

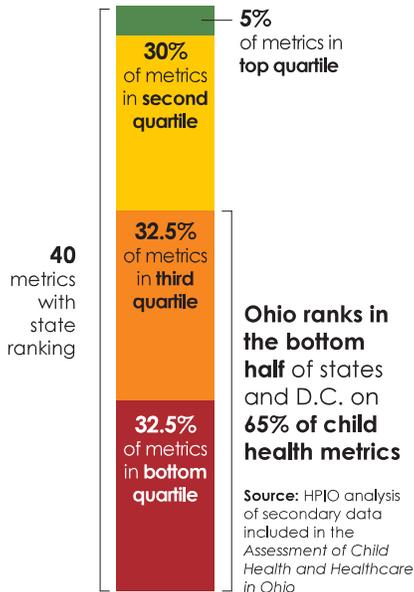
(614) 228-2844 Phone
(614) 228-3772 Fax



Assessment of Child Health and Health Care in Ohio

Snapshot

Ohio's performance on child health relative to other states



Ohio performs poorly on child health

Ohio's performance is consistently in or near the bottom half of states on rankings of child health and wellbeing.¹ In the *Assessment of Child Health and Healthcare*, Ohio ranked in the bottom half of states on 65 percent of metrics with national ranking data.

Why does child health matter?

For decades, Ohioans have struggled with high healthcare spending and a steady decline in health outcomes relative to other states. According to the Health Policy Institute of Ohio (HPIO) *2017 Health Value Dashboard*, Ohio ranks 46th out of 50 states and D.C. on health value. This means that Ohioans live less healthy lives and spend more on health care than people in most other states. Ohioans cannot afford to continue this trajectory.

Many of the health challenges Ohioans face today are rooted in experiences and conditions that could have been better managed or prevented during childhood. Research confirms that focusing on the health of children is a wise investment because poor health outcomes during childhood can lead to permanent impairment later in life.¹

Why are we doing poorly?

Health is influenced by several factors, including clinical care access and quality, health behaviors and the social, economic and physical environments in which families live. All of these factors contribute to Ohio's poor child-health outcomes.

How can we improve child health in Ohio?

Ohio needs a comprehensive approach to address child health as outlined in the policy framework below. The framework (informed by the findings of the *Assessment* and advisory committee feedback) sets the stage for a child-focused health policy agenda in Ohio by identifying:



Four foundations for healthy children



Three top child health policy priority areas: Mental health and addiction, chronic disease and maternal and infant health

Fifteen specific priority outcomes to measure success such as suicide deaths, asthma morbidity and infant mortality (see policy framework on back for full list)



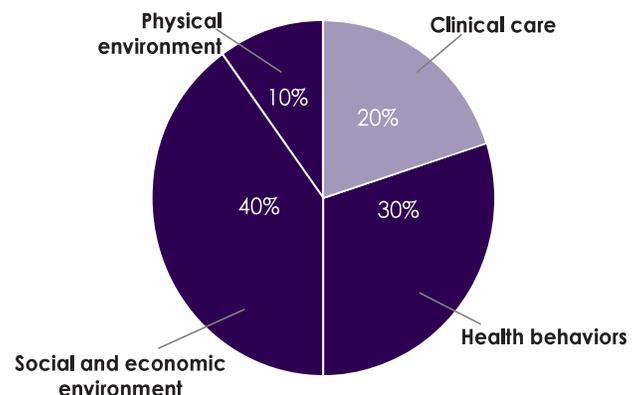
Eight actionable policy goals that drive improved health for Ohio's children



Twenty-two examples of evidence-based strategies that align with the policy goals and can be deployed in the short-term to move the needle on Ohio's top three child health priorities (see **full report** for list of strategies)

Improving child health through this framework requires public and private sector leadership from a wide variety of entities including policymakers, providers of healthcare services, insurers, schools, community-based organizations and the support of parents, caregivers and families.

Modifiable factors that influence health²



Policy framework for improved child health in Ohio: A starting place



Foundations for healthy children

Improved child health and wellbeing in Ohio can only be achieved if the following goals are met:

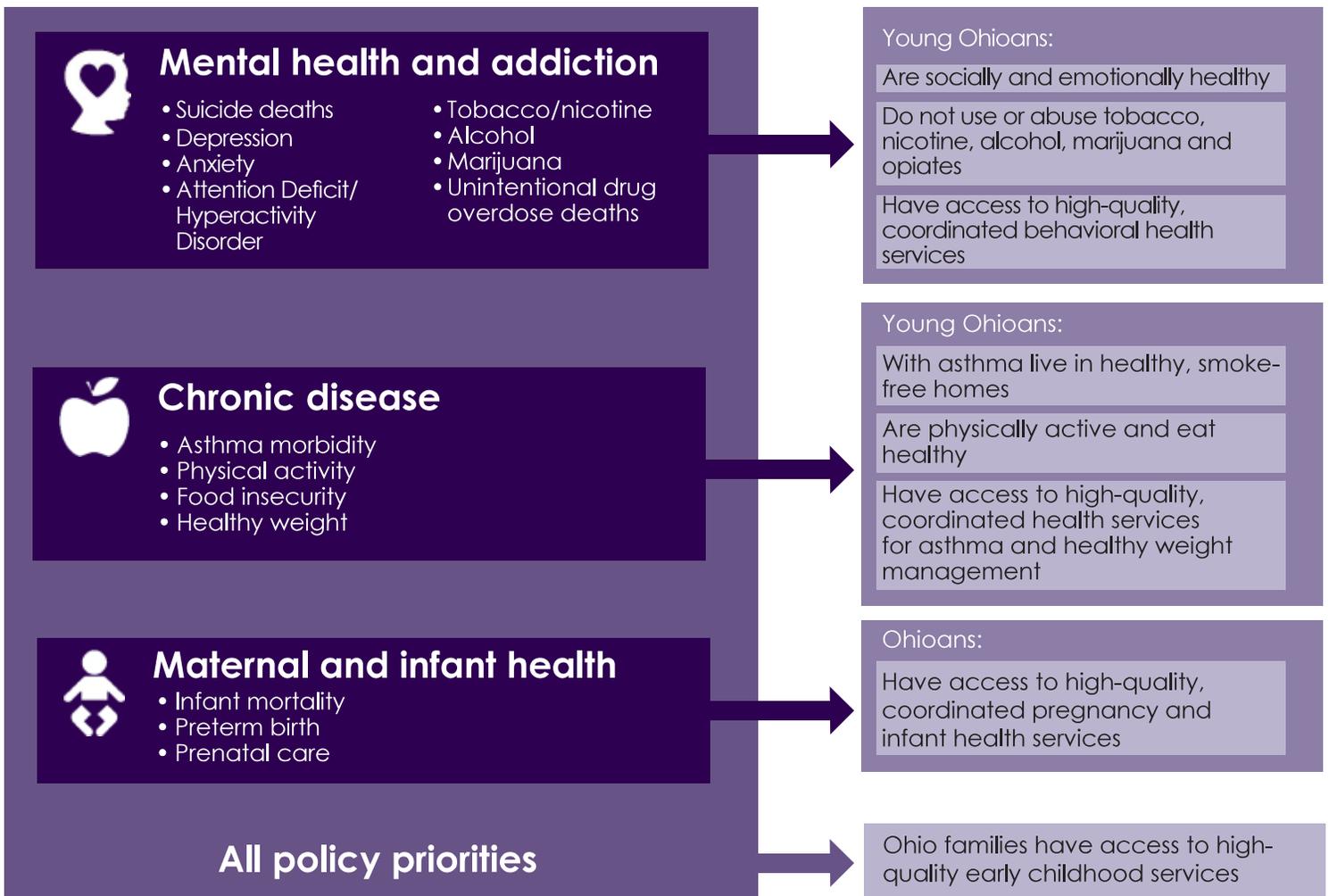
1. **Eliminate gaps in child outcomes.** All young Ohioans have the opportunity to make healthy choices and achieve optimal health, regardless of their race/ethnicity, family income, where they live or other social, economic or demographic factors.
2. **Promote economic vitality for Ohio families.** All families in Ohio have the opportunity to achieve financial and housing stability.
3. **Evaluate Ohio's progress toward improving child health.** Ohio makes strong investments in data collection, research and evaluation of strategies to improve the health of young Ohioans.
4. **Pay for child health and wellbeing.** Payments to providers incentivize improved child health and wellbeing, are based on population-level outcomes, address the modifiable factors of health and are stable, predictable and adequate.



Data-driven policy priorities and priority outcomes



Evidence-informed policy goals



About the Assessment

This *Assessment* was commissioned by the Ohio Children's Hospital Association and developed by HPIO with a multi-sector advisory committee.

Notes

1. America's Health Rankings: Health of Women and Children, 2018 (Ohio ranks 32 out of 50); Kid Count Overall Child Wellness, 2018 (Ohio ranks 25 out of 50). A ranking of one is best.
2. Bell, Paolo C., Flavia Bustreo and Alexander Preker. "Investing in children's health: what are the economic benefits?" *Bulletin of the World Health Organization* 83, no. 10 (2005): 777-784.
3. Booske, Bridget C. et. al. County Health Rankings Working Paper: Different Perspectives for Assigning Weights to Determinants of Health. University of Wisconsin Public Health Institute, 2010.