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Chairman Romanchuk, Ranking Member West and members of the House Finance Subcommittee on Health and Human Services, thank you for the opportunity to testify in support of House Bill 166, the FY 2020-2021 state operating budget.

My name is Scott Borgemenke and I serve as the Senior Vice President of Advocacy for the Ohio Hospital Association. I am here today on behalf of OHA's 237 hospitals and 13 health systems.

Established in 1915, OHA is the nation's first state-level hospital association. OHA exists to collaborate with member hospitals and health systems to ensure a healthy Ohio. The association is governed by a 20-member Board of Trustees with representation from small and large hospitals, teaching facilities and health care systems with a committee and task force structure.

Hospitals are the crown jewel of their communities. In 2016, we directly employed 255,000 Ohioans, paid \$17.7 billion in direct wages and indirectly supported another 265,000 jobs in our state. Patients had 33.7 million encounters at Ohio hospitals in 2017.

Under the direction of our association leadership and board of trustees, OHA developed four budget priorities: maintain Medicaid coverage, reform the hospital franchise fee methodology, enhance managed care accountability and maintain Medicaid reimbursement rates. We believe Governor DeWine's budget largely meets the needs of Ohio's hospitals in these four priority areas.

As an industry, our business is making and keeping people healthy—that business works best when funding models are stable, predictable and sustainable. Hospitals exist in a constantly changing reimbursement environment. From proposed, massive federal cuts to the disproportionate share hospital program to an inability to cover our costs in the state's Medicaid program, let me again stress: stability and predictability matter.

The DeWine Administration's proposed budget provides hospitals with stable, predictable funding levels that will allow us to take care of our patients and your constituents. The maintenance of Medicaid coverage and reimbursement rates and the alignment of the hospital franchise fee support that guiding principle.

OHA appreciates Governor DeWine and his team, including Director Corcoran and her staff for their work to proactively correct a structural imbalance in the hospital franchise fee. Alignment of the program prevents the franchise fee from becoming a financial drain on hospitals while at the same time relieving state general revenue spending needed to sustain Medicaid each year.

OHA supports the governor's initiative to increase the minimum purchase age for cigarettes, other tobacco products and alternative nicotine products. OHA recognizes that this effort is a step in the right direction to

diverting youth tobacco use resulting not only in improved health outcomes, but also a reduction in future health care costs.

We also applaud the DeWine Administration's investments in home visiting services and efforts to continue our shared goals of reducing the number of babies who do not see their first birthday while also protecting the health and wellness of mothers. We look forward to further partnering with the Departments of Medicaid and Health in making meaningful progress in this critical area of need.

Finally, we are encouraged that the governor's budget includes support for telehealth coverage. Ohio hospitals have long supported the use of telehealth as we find new ways to increase access to care, lower costs, improve patient satisfaction and, most important, improved clinical outcomes. The language in the as introduced version of the bill will extend coverage parity for telehealth services to more Ohioans. If a service is currently covered under an individual's plan as an in-person visit, it must also be covered as a telehealth visit. Reimbursement rates for services delivered via telehealth will continue to be negotiated between the payer and provider.

Chairman Romanchuk, Ranking Member West and members of the subcommittee, thank you for your time today. I look forward to continuing our work on this budget and other important issues and welcome any questions you may have.