

My name is Caroline Lahrman. I am the mother of twins who reside at Heinzerling, an Intermediate Care Facility (ICF) in Columbus. Heinzerling provides life sustaining care and community integration to 200 of Ohio's most difficult to care for citizens. Ohioans have spoken loudly in support of ICFs. Nearly 19,000 signed a petition to object to policies that would lead to closures of ICFs and sheltered workshops. Parents are grateful to the Health and Human Services Subcommittee for removing punitive measures to ICFs from the budget.

But, we remain deeply concerned. In place of these proposals, benchmarks have been inserted to downsize large ICFs to smaller settings and convert beds to waivers. 1,200 beds will be affected. We are told these are previously agreed to goals of a "Grand Bargain" between the Department of Developmental Disabilities (DODD) and ICF provider associations.

Calling this bargain "grand" is wrong. Parents were not included in these negotiations. The resulting benchmarks do not reflect the health, safety and quality of life needs of our children.

To put the radical nature of these benchmarks into perspective, it is important to know that a large ICF is now defined as greater than 6 beds. Imagine moving your child from a 25 or 100 bed facility with layers of supervision, 24 hour nursing, therapists, nutritionists and behavioral specialists to a setting with just one or two staff. Imagine moving from a setting with a fleet of vehicles for community outings to a setting where there may not be a vehicle. Imagine moving your child from a large building where they can use adaptive equipment to one where residents will be confined to small rooms.

Families of ICF residents are greatly troubled because a primary element of the continuum of care is being destroyed in this so-called "Grand Bargain"- that being the higher level of care only possible in truly large ICF homes - settings which the U.S. Supreme Court's *Olmstead* decision and the Americans with Disabilities Act (ADA) state must remain available to those who require and desire them.

Downsizing ICFs and converting beds to waivers means the expert care, safety and efficiencies inherent in the ICF model will be lost. Costs per bed will rise and services to residents will be cut. This is not conjecture. It is economic fact. Proposals in the Sub Bill lead Ohio down a path of serving fewer individuals with sub standard services at a higher cost to taxpayers.

ICF providers would like to accommodate the Department driven downsizing by building on their own campuses. In this way, proper supervision of downsized settings can be maintained and residents can have timely access to specialized staff. The Department refuses to allow this reasonable solution which would enhance health and safety and keep economies of scale in tact.

In light of these concerns, parents make a common sense request:

DO NOT dismantle a successful ICF program before determining what ICF residents and their families need.



Therapeutic activities like these will go away for severely developmentally disabled ICF residents if they are confined to small settings.

To start, identify the 2,500 ICF residents who the Department claims are on wait lists for waivers. Director Martin states he does not know if this number is accurate. Parents know that it is not. Guardians of happily placed ICF residents have long forgotten their child is on a wait list. Parents ask that the Department contact guardians in writing to verify if they want an ICF placement or a waiver of this placement, and if they prefer their current setting or a small setting. In this way, we can ensure the ICF program is driven by the residents and taxpayers are protected from costly system change.

Finally, I want to address the emotional strain and disruption the Executive Budget has caused for families. DODD system change should not take place in a budget bill fraught with time tables, power-brokering and politics. It would be inhumane to make families fight this battle every two years. For parents who are now in their 70's and 80's, this fight has been especially difficult. Elderly parents need to know their children are safe before they pass from this earth. **We need certainty in our lives and the lives of our helpless children.**

Chairman Smith, Ranking Member Driehaus and Members of the Finance Committee, we ask you for this certainty. Please remove from the budget the benchmarks and timetables which downsize and convert ICF beds to waivers and **restore permanency in the lives of developmentally disabled Ohioans and their families.**

Nothing speaks with more care than parental love. That's why courts have entrusted parents to make decisions for their children. Parents ask that parental love and the authority which follows is respected by the Department and by the Ohio House of Representatives. Do not allow a successful ICF program to be dismantled. Please ensure that programs established by parents and families continue to reflect the needs of their disabled children.

Caroline A. Lahrman
April 15, 2015



Elizabeth and Dad at Heinzerling's Sensory Park.



Henry hanging out at Heinzerling.

Intermediate Care Facility Homes Financially Benefit the Ohio Waiver System

The DODD Strategic Planning Leadership Group has proposed to reduce the number of Intermediate Care Facility (ICF) beds in Ohio by 50 percent over the next ten years. Eliminating this safe, compassionate, and cost-effective form of care is a dangerous, poorly thought-out plan which puts intellectually and developmentally disabled citizens at risk while cutting off an important funding source for waiver recipients.

ICF homes provide **\$65 million** in financial benefits to the State of Ohio which benefit waiver recipients:

Benefit #1: *ICF Homes generate \$39,129,080 per year in revenue from the Bed Tax. These dollars are directed into the waiver system where they fund services for the developmentally disabled.*

How does DODD propose for the State of Ohio to replace this \$40 million in waiver funding for the disabled citizens who directly benefit from it? Reality: Services for current waiver recipients would be put at risk.

Exhibit 1: Bed Tax Analysis

Bed tax per bed per day (FY 2015)	\$18.17
Estimated federal financial participation rate (FFP)	63%
Matching funds generated per bed per year	\$4,178.19
Lost revenue from 500 ICF bed conversions (2014-15 biennium budget)	(\$2,089,096)
Matching funds produced by 5,900 ICF beds	\$24,651,321
Total waiver service funded by bed tax on 5,900 beds after FFP applied	\$39,129,080

Data Source: Gary Brown, CPA, Director, Brady Ware & Co.

Benefit #2: *Room & board for ICF residents is largely paid with federal funds totaling \$25,370,413 per year relieving the State of Ohio of this cost.*

How does DODD propose for the State of Ohio to cover the \$25 million in federal funding for room and board for ICF residents once these individuals are moved into the waiver system under an ICF downsizing plan? Reality: Waiver benefits for current recipients and individuals waiting for services would come under even greater financial pressure.

Exhibit 2: Room and Board Analysis

Average ICF bed room & board cost per day (CY 2012)	\$45.00
Estimated average patient liability per day	(\$26.30)
Estimated federal financial participation rate (FFP)	63%
Federal funds received per bed per year	\$4,300.07
Lost revenue from 500 ICF bed conversions (2014-15 biennium budget)	(\$2,150,035)
Federal revenue received for room & board for 5,900 ICF beds	\$25,370,413

Data Source: Gary Brown, CPA, Director, Brady Ware & Co.

ICF Homes Provide Safe, Compassionate, Cost-Effective Care

Intermediate Care Facility (ICF) Homes are the most safe, compassionate, and cost-effective way to care for individuals with severe developmental disabilities. When individuals with complex needs choose to live under one roof in larger numbers, efficiencies are gained which enable more people to receive the care they need for less cost.

Skilled nursing, personal care services, physical and occupational therapists, behavior support staff, transportation, and room & board can be shared by the residents in one location. Continuity of care is maintained and safety enhanced.

Likewise, the extensive amounts of specialized equipment: medical, specially adapted personal care equipment, and therapy equipment can often be shared by residents and can be obtained at lower costs. If ICF residents with complex needs were transferred to waiver settings, the cost to the taxpayer would be much greater as demonstrated in Exhibit 3.

Director John Martin, Department of Developmental Disabilities, stated at a November 19, 2014 ARC Conference that a community setting is a more expensive way of caring for citizens with complex needs than an ICF Home.

Exhibit 3: Cost of Care - ICFs and Individual Option (IO) Waivers

The charts depict an “apples to apples” cost comparison between ICF Homes and IO Waivers by subtracting from the ICF total average cost, the cost of services not covered by the IO Waiver such as skilled nursing and room and board. The charts demonstrate that services under the ICF Home model are provided at a lower cost than the similar set of services under an IO Waiver.

ICF Home Average Cost Per Year Per Individual All Inclusive Model	
ICF avg total cost (2011)	\$106,005
<i>Less room & board</i>	(\$18,733)
<i>Less skilled nursing</i>	(\$10,021)
<i>Less bed tax & other non-covered waiver services</i>	(\$9,124)
ICF total avg cost <i>excluding non-covered waiver services</i>	\$68,127

IO Waiver Average Cost Per Year Per Individual Separately Contracted Services	
Personal care	\$47,748
Community transportation	\$614
Day services	\$10,478
Day service transportation	\$5,745
Case management	\$6,086
Other waiver services	\$386
IO total avg cost (2011)	\$71,057

Data Source: Gary Brown, CPA, Director, Brady Ware & Co.

On May 17, 2005, Gary Brown, CPA, testified to the Senate Finance and Financial Institutions Committee that the elimination of the ICF/IID program would mean lost revenue from the bed tax, lost federal funding for ICF room and board and nursing, and added transportation and infrastructure costs connected to caring for ICF/IID level residents in community settings. **Mr. Brown stated that the total cost to the State of Ohio would be a minimum of \$111 million per year in the form of lost federal participation.** *This was in 2005. Imagine the cost now, in 2015, and beyond.*

The Truth About Community Access

The average IO Waiver recipient receives only an average of \$614 per year in community transportation (i.e. medical visits, shopping, recreation) at .45¢ per mile - approximately 3.5 miles of transportation per day. Most ICF residents require a wheelchair accessible vehicle increasing the cost of transportation to at least \$1.50 per mile - **only about 1.12 miles of transportation per day.**

How can the State of Ohio offer a wheelchair bound individual accessibility to the community with only \$614 per year? The reality: ICF residents would face **isolation** under the so called “community-based” model. This would be a drastic, detrimental change for ICF residents who currently enjoy daily access to their communities.