



Testimony for House Subcommittee of Finance and Human Services  
March 19, 2015

My name is Than Johnson and I am the CEO for Champaign Residential Services (CRSI) in Urbana, Ohio. CRSI is a non-profit private service provider in nearly 30 counties in west Ohio. We are one of the largest Medicaid waiver providers and also a provider of ICFIID services.

CRSI was incorporated by families to prevent institutionalization of their siblings in the late 1970's. It currently has a majority of parents, advocates and consumers on its 17 member board of trustees.

CRSI serves nearly 800 individuals with disabilities with a highly valued workforce of 1400 staff.

I have had the honor of being State President of OPRA and also served as National President of our national association ANCOR over my career. I've also been honored to be appointed to the National Medicare Advisory Board by President Bush and served on technical assistance committees for CMS/Medicaid services. Currently, I serve as national co-chair of the ANCOR Government Affairs Committee.

As a prior President of OPRA, I have great respect for not only Director John Martin and his capable staff but also for the need of our system to coalesce around a common message/agreement on the future of our services and supports for citizens with disabilities. I felt we reached that point of agreement in what was called the 'Grand Bargain' two years ago which set a framework for moving our system toward outcomes of smaller settings and re-balancing of service models that expanded home and community based services and yet provided a choice of ICFIID setting if so desired by the individual with disabilities. It is the assumption of the four associations (OACBDD, OPRA, OHCA, and VFA) that the 'Grand Bargain' is still in effect and should be considered as the framework for this budget and the next state budget. (I am aware that each committee member has received a chart indicating the provider's progress toward meeting the goals and time lines of the Grand Bargain).

While I greatly appreciate many aspects of the Governor's State Budget proposals, I do have concerns about certain aspects of Governor Kasich's DODD budget language. The use of fiscal penalties to force providers to move individuals with disabilities from their setting of choice under a labeling called RAC groups is leading with the punishment before allowing the provider to reshape their business model to either reduce costs in order to serve those citizens and/or assist the individual if they decide to stay in their current location.

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To use CRSI as an example, we did downsizing of many of our ICFIID settings many years ago without being pressured. We have numerous 4, 5 and 8 bed locations. The cost of that downsizing was a challenge, but we recovered those costs over an extended period. We would continue that downsizing with both adequate timelines and funding models that rewards and encourages the provider to change. Under the current language starting July 1<sup>st</sup>, CRSI will lose over \$500,000 in funding under the RAC model. If those penalties were removed we will continue our dialogue with DODD and establish a timeline to meet agreed upon downsizing goals.

It has to be understood that downsizing is an expensive venture that requires large sums of down payment funds and therefore the ability of CRSI to possess those funds is hampered by the lost revenue under the RAC model. An example: we are currently doing a six home downsizing project in conjunction with DODD and two state developmental centers. Those six houses with 6 individual bedrooms will cost approximately \$600,000 each and use only private capital funding. Borrowing \$3 million dollars will require over \$1 million in cash since each home will not appraise out equal to its costs because they are \$600,000 homes in \$150,000 or lower cost neighborhoods. If you apply that scenario to other downsizing projects needed for the 'Grand Bargain', you have millions of dollars needed by private providers to comply while the budget language reduces our reimbursement rates and forces us to commit more reserves for operations rather than development. I am hopeful that understanding of actual costs leads to a compromise and we can continue to reach the goals set by DODD under the 'Grand Bargain'.

It is also my hope that the 2% funding increase requested by DODD will be used to benefit the largest amount of providers as possible, particularly those that demonstrate administration efficiencies and provide high quality care without exceeding ceilings. We are proud to have earned efficiencies in non-direct/administrative area every year for the last 25 years and maintain high quality in settings regardless of size or needs of the individuals.

In addition, if citizens of Ohio receive an ICFIID level of care they are afforded a choice between a waiver setting and ICFIID settings. That choice should be acted upon in the shortest amount time possible in order to not deny nor delay them their Medicaid services. Some aspects of the budget language require assessments, consultation and possibly diversion away from choosing an ICFIID setting. That process needs to be refined to make it an expedient and responsive to choice.

For CRSI, the above concerns are also associated with a very real challenge and that is recruiting, retaining and affording a high valued workforce. As much as we greatly appreciate Governor Kasich's achievement in having Medicaid Expansion (ME) in Ohio, ACA will still cost CRSI over \$400,000 in additional healthcare costs annually (it would have been closer to \$2 million without ME). If you combine that cost with penalties in the current budget language and the need to increase direct support professionals

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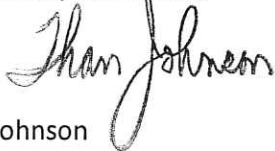
wages, every bit of the 2 % increase is needed along with the 6% increase for wages for the Ohio DD Waiver programs.

It is also my hope that a resolution to the 'independent provider' (IP) challenge is achieved. Knowing that this is a federal issue as much as a state issue, I hope we can assist citizens in keeping their IP by offering various waiver options under federal statutes.

I would also be remiss if I did not point out that loss of the tangible personal property tax revenue for county boards of DD at a time when they are faced also with a challenge to change the day services model is an area that needs discussion and remedy.

Thank you for providing me with opportunity to provide input into the shaping of our state budget for the State of Ohio and its citizens.

Respectfully submitted,

A handwritten signature in black ink that reads "Than Johnson". The signature is written in a cursive style with a large, looping initial "T".

Than Johnson  
Chief Executive Officer