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Senator Cafaro

Substitute House Bill 64

Medicaid Committee Report

May 26th, 2015

Chairman Oelslager, Ranking Member Skindell, and members of the Senate Finance Committee. Thank you for allowing me to provide remarks on the Senate Medicaid Committee's work on House Bill 64. When we step back and look at the overall work of the Medicaid committee, it encapsulates how the State of Ohio fulfills its obligation to our most vulnerable populations—infants, children, senior citizens, those suffering with mental illness or addiction, and those who struggle with poverty.

It is our obligation to support these 2.9 million Ohioans in order to strengthen our communities. We strive to make Ohio a place where those in need are supported so they can thrive to the best of their ability. Health and social service policy reaches far beyond the Medicaid program. I think our work would have been better served had we integrated the topics of the Workforce Committee, alongside our deliberations, over items such as infant mortality, behavioral health and the cost-effectiveness of the Medicaid system.

I was, however, pleased to hear my colleague Senator Williams discuss the importance of support for child care—an issue that is critically linked to overall health and should have been part of a comprehensive conversation. This includes both creating and maintaining value in our safety net and support system and ensuring that the funds invested, which come from everyone, give us appropriate return.

Over the course of 6 hearings, the Senate Medicaid Committee heard testimony from many state agencies including the Department of Medicaid, the Department of Health, the Department of Aging, the Department of Developmental Disabilities, and the Department of Mental Health and Addiction Services. The committee also heard from panels of experts on Infant Mortality, Advanced Payment Models, MyCare, and Behavioral Health Integration. Additionally, we gathered information from more than 280 individuals, most testifying in front of committee with some submitting written testimony. These individuals included executive representatives, local government officials, business leaders, health care providers, community advocates, and citizens from across the state.

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As a result, we saw some issues emerge as recurring themes that I feel warrant attention and consideration while evaluating and proposing change to H.B. 64.

I wish to highlight the following policy areas and observations for your consideration:

- The Department of Developmental Disabilities serves an incredibly vulnerable population and must advance options while prioritizing individual choice.
- As we turn to the needs of our aging population, the role of the ombudsman, a community approach, and proper structure of care provision are key.
- We must largely continue efforts of the Department of Medicaid within the last two years to increase baseline access to care and incentivize quality, but we cannot balance the books on the backs of those most in need of care.
- Medicaid expansion made a critical difference for many but perhaps most particularly to those struggling with behavioral health concerns. This budget gives us a chance to build upon that progress.
- Direct care workers play an increasingly important role across multiple agencies and deserve our respect and support.
- We should look for opportunities to innovate and expand within safety net programs such as Ryan White and immunizations.
- We can achieve better health in the broadest sense while still emphasizing payment innovation by aligning payment structures to encourage providers to realign services to improve their patients' health outcomes and overall well-being.

<u>Department of Developmental Disabilities</u>

We heard incredibly compelling testimony from individuals with developmental disabilities, their families, and caregivers on the need to support the choices of those receiving care, whether it be at a developmental center, an intermediate care facility, or through one of a number of waiver programs. **As you know, this is a critical issue for me, as the Youngstown Developmental Center along with the Montgomery Developmental Center, have been slated for closure by the administration, which I and members of my caucus strongly oppose.** While current programs to promote community based care and integration should be strongly supported, we cannot revoke the promise we made to individuals and families when individuals with developmental disabilities entered developmental centers often years or even decades ago.

We should not let anything get in the way of personal choice for these individuals. In addition to supporting the additional review for developmental centers, I want to highlight the following:

- **<u>Individual Bill of Rights and Determination</u>**
    - The updates to the bill of rights may have been well intentioned, but should not have occurred without consultation and consensus with the community. **For these reasons we will offer an amendment to remove.**

- Part of the issue is that we don't have a good understanding of all the needs and desires from within the community. **We therefore also support a comprehensive review of waiting lists.**
- As we work to comply with both new federal rules on Home and Community Based Services and the Olmstead decision emphasizing community based care, **we need to build upon rather than replace existing systems for life and work for individuals with developmental disabilities.**

- **ICF**
  - This is a technical area and in general **we support the compromise position that has been reached and is reflected in the House passed version.**
  - We do need to take steps to make sure ICFs can be homes for their residents. This includes **amendments to open visiting rights and flexibility in structure where it makes sense for residents.**
- **Funding**
  - **We strongly support the initial executive level of funding, particularly to support the additional waiver slots and other areas of modernization. This population needs the executive investment restored ($582,655,478 in FY 16 and $639,088,508 in FY 17).**

Department of Aging:

- The debate regarding our aging population was in part a review of the successes over the years. Through greatly increasing the home and community based services and placements for Ohio seniors, these services come in just under $15 million.
- During this budget, we must recognize the key role that the PASSPORT Administrative Agencies, mostly the Area Agencies on Aging, play in ensuring a no wrong front door individually focused service mechanism. **As we shift the Triple As toward payment for quality rather than volume, we must make sure that the metrics accurately reflect their mission and service.**
- We also need to **support those who take the care of their family members upon themselves through programs like respite care for Alzheimer's care givers.**
- The state's ombudsman program can further assist Ohioans engaging with care for the aging population through advocacy and assistance in navigating complicated administrative processes. **We believe it is important to give this program additional funding to ensure its future success, particularly as it takes on the new task of overseeing MyCare consumers**

Department of Medicaid

- **The House changes to the program are simply untenable and must be removed. Problems with the proposed Healthy Ohio Program include the following:**
  - The inclusion of the Covered Families and Children population into the premium and health savings account structure will jeopardize the Medicaid program overall.

- Requiring premium payments through HSA contributions all the way down to those with no-income is counter to the mission of the Medicaid program and will impede access to care.
- Including both lifetime and annual caps is contrary to the ACA and is discriminatory against those with more severe health concerns including for example premature infants and those with cancer.
- Both the 12 month lockout for payment in arrears and the debit/eligibility card will need significant funding for creation and administrative support and are barriers to care.

- While the executive proposal on **premiums** within Medicaid is more responsible than that proposed by the House passed bill**, such action must be done after deliberation and should include perhaps a phase-in or other limitation if pursued at all.**
- It is critical **that expansion and eligibility levels be maintained.**
  - We cannot show we care about countering our state's abysmal infant mortality rate while we cut access to Medicaid for pregnant women. Hot spot programming is not enough, we **must maintain the 200% FPL eligibility level for pregnant women at least until our infant mortality rate improves.**
  - In addition, **while Medicaid breast and cervical cancer programming and family planning support were created before the Affordable Care Act closed some of the vast gaps in care, it is irresponsible to so quickly reduce eligibility for these targeted efforts.**
  - **The House's addition requiring legislative action for any change in eligibility levels should also be removed.**
- **We support the administration's effort to remove the funding formula for skilled nursing facilities from the revised code.** It is one of the few funding formulas that is still in statute. Removing it would provide additional parity to other providers and better facilitate applying modern incentive and payment structures to these areas of care.
- MyCare is not without its problems, and we must **evaluate where we are to move forward and have the program fulfill its potential without leaving any individuals or providers behind.**
- **Expansion of Medicaid options in schools and for those soon to leave prison** will help promote continuity of care and offset other costs including a significant burden on local schools.

Behavioral Health Care—Department of Mental Health and Addiction Services in conjunction with Medicaid

Managed Care "Carve In" :

- **the proposed expansion of managed care supports important ideals of care coordination and parity between physical and behavioral healthcare. It cannot however be approached lightly, as our state makes great investments in this area (an estimated $390,035,756 in FY 16 and $396,060,102 in FY 17). In order to ensure this**

"carve in" is successful and meets the needs of the population it intends to serve, we believe:

- **Guidelines on when and how the transition must be approached are crucial.**
- **The important framework that exists through local behavioral health boards cannot be eroded.**

- **Medicaid expansion has created numerous opportunities at both the local and state level and we should take advantage of these through strong continuum of care and recovery supports. This includes the administration's proposal on recovery supports, and an investment in resources at the local level as the needs across our state, while always present, differ significantly from county to county.**
- **Behavioral healthcare also plays a critical role in infant mortality with programs, like the Maternal Opiate Medical Support Project, deserving our support.**

<u>Direct Care Workers</u>

- **We support the removal of the limitation on independent providers in Medicaid programs and support future study.**
- The work and importance of direct care workers has expanded significantly with the increase in home and community based services and spans multiple agencies.
- We heard significant testimony on the important role that independent in-home providers play in the lives of those receiving care, as they are usually loved ones and family members of individuals in need of significant, full-time care.
- **My colleague Senator Williams is right to focus on a need to improve the overall quality and training of these individuals while compensating them accordingly.**
- We heard testimony about complications if providers are ruled to be employees by the federal department of labor. **We should respond to and meet the challenge when it comes, but it must be noted federal labor standards are a protection for workers in terms of wages and other conditions. If we are not meeting those standards for providers, we should be concerned.**
- **In addition, I must note my disappointment that Governor Kasich on Friday repealed an executive order which granted collective bargaining rights to independent in-home care providers who are reimbursed through Medicaid. These 7,000 workers across Ohio are predominantly woman and minorities, many of whom earn poverty or near poverty level wages, qualifying for public assistance programs themselves. Taking away their collective voice as to wages and other terms and conditions of their work is the wrong direction for Ohio and is inconsistent with the administration's praise for home and community based care. These rights should be restored and we will be offering an amendment to the budget so that they are.**

<u>Department of Health -Safety Net Programs</u>

- Both the Affordable Care Act and Medicaid expansion have removed some burden from state and local health departments in terms of vaccines, access to care, and other important public health initiatives.
- **We are supportive of the Department of Health's focus on infant mortality issues including promotion of progesterone treatment, smoking cessation, targeting high-risk neighborhoods, and safe sleep programs. We must support increased data tracking and innovative funding in these areas.**
- We heard testimony that programs including Children with Medical Handicaps Program; Ryan White HIV/AIDS Part B Program; Breast and Cervical Cancer Project; and Perinatal and Reproductive Health Services are being flat funded. Theoretically, this is in preparation to reduce future funding, as the prior work of these programs is taken up by health care reform.
    - As we continue to move people into insurance programs and make other healthcare reforms, **I challenge the Department of Health to work with other agencies and advocates across the state to innovate and seek out new uses for these programs to fill remaining gaps within public health.**
    - Ryan White HIV/AIDS Part B for example: As fewer individuals rely upon this program for access to medication, resources can be freed up for education and prevention in targeted areas. We have seen from the recent increase in HIV transmission in certain areas, such as Southeast Indiana, that work must continue to prevent the spread of this disease.
- Immunizations: **We should not cut funding and undermine immunization access unless we are certain that there will be access to 3rd party billing. We need to ensure such changes will not threaten the already too low immunization rate in Ohio—this funding should be restored.**

<u>Payment Innovation</u>

- **Payment innovation continues to be crucial to reward value and health outcomes rather than volume. This is true of both public and private payer sources.**
- The gradual expansion of episodic- based payments can assist in finding the best structure without disturbing care access.
- The collaborative design process is necessary to determine when systems must be the same versus when they can differ to allow for different payer and provider circumstances or legal requirements.
- We have been and should continue to promote patient-centered medical homes and advanced primary care.
- **We have to seek the right way to improve transparency and health care literacy. The House's all payer claims database is not yet the proper tool, but multiple avenues to improve patient literacy and access to information should be pursued.**
- All of these policies can overtime get the right people, the right care, for the right price, without unnecessary cost, testing, or burden on patients or providers.

Conclusion

The Medicaid program is our states largest expense- an estimated $25.7 billion all funds in FY 16 and $26.6 billion in FY 17. While it is of utmost importance that advances are made to make our program more effective and cost efficient, it is also the obligation of the legislature, to all the citizens of Ohio, to make these changes after thoughtful consideration. **The themes highlighted in my testimony are essential to promote the health and stability of our vulnerable populations. My caucus believes these areas need continued deliberation and changes to protect our citizens. Our responsibility extends that of just throwing money at these programs. We must carefully push our program forward, as the health of our citizens' affects every subject matter heard in this committee today. I ask that you consider these themes while looking at ways to better HB 64.** Thank you for the opportunity to report the work of the Senate Medicaid Committee. I would be happy to take any questions you have at this time.