



## OHIO ASSISTED LIVING ASSOCIATION

### ***Comments on HB 64 by the Ohio Assisted Living Association***

Chairman Burke, Ranking Member Cafaro and Members of the Senate Medicaid Committee, thank you for this opportunity to respond to HB 64 as it impacts assisted living. My name is Jean Thompson and I am the Executive Director of the Ohio Assisted Living Association representing over 415 licensed Assisted Living communities in Ohio.

#### **Assisted Living Waiver (ALW) Reimbursement**

Absent in the budget bill is any increase for the Assisted Living Medicaid Waiver. The Waiver program provides services to Ohioans (over 4,500) who qualify for nursing home placement, and, but for the ALW established in 2006, would be cared for there. The ALW is unique in the waiver system in that it provides 24 hour oversight; offering supervision, Activities of Daily Living and nursing services. This 24 hour custodial type care is often required due to cognitive and physical disability.

Unfortunately, this valuable program that is **saving approximately \$217,759,500 per year** (a mix of federal and state dollars and based on the number of individuals enrolled as of October 2014) **is still being reimbursed at its initial rate set in 2006**. This program can not continue or grow to meet Ohio's need for home-like, cost-effective options, serving individuals who require a 24 hour supervised environment, without an increase. The ALW is not *sustaining* Assisted Living providers, evidenced by the rapid growth of Assisted Living in recent years, primarily fueled by the private pay market.

During the last biennial budget (HB 59), while other Home and Community Based Waiver programs (i.e. Adult Day Services, PASSPORT) received increases, ***Assisted Living did not***. At that time, we were told that a study needed to be done first to look at the payment structure for the program. The Ohio Department of Aging did have Scripps Gerontology Center at Miami University, complete a study and although the report was finalized in 2014, the information has not been made publicly available. It is our understanding, from the information we have seen, that the study concluded that the program reimbursement needed to be increased in some way. We have included in our supporting documents two quotes from the study alluding to a need to increase room and board rates which are currently based on the federal SSI amount, which is well below market rate, especially in urban areas. ***We are asking for a 3% increase in each of the budget years.***

Additionally, in the mid-biennium review (HB 483) of the previous General Assembly, there was bipartisan support for an increase in reimbursement for the ALW on both sides of the aisle and an amendment was included during House deliberations on the bill to provide an increase for the ALW program. However, we were informed very late in the HB 483 budget process by the Office of Health Transformation (OHT) that making a rate adjustment to any waiver program

operating in our state would trigger a large “rule compliance mandate” from the federal government. OHT indicated that many of the state’s waiver programs were not ready to comply with this mandate and as a result, the Senate removed the increase. **When the increase was removed, we were told that an increase in reimbursement would be likely in the next biennial budget; but this has not happened, although in recent discussions with the administration, we have been told they would not oppose an increase if the legislature should determine to include one.**

In order to see the need for the increase, we have attached with our materials a chart of what other programs providing similar services, but less than 24 hours a day, like the Assisted Living Waiver, are receiving in reimbursement. Additionally, it shows the average nursing home cost. ***These programs are not overpaid – we are underpaid. We are asking for an amendment to increase the Assisted Living Waiver reimbursement by 3% in each budget year.***

Also in our supporting documents is a slide taken from Governor Kasich’s budget highlight presentation, showing the average annual costs of all waiver programs. While we are fully supportive of services at home, whenever they can meet an individual’s needs, it’s worth noting that the average annual cost of Assisted Living providing a 24 hour supportive environment is currently only \$1,600 more per year than the average annual part-time PASSPORT care cost. Generally PASSPORT services depend on needs that can be scheduled and some level of family or friend support available, which is not always the case and which is less likely given our demographics in the future.

**Permitting Double Occupancy** The language in HB64, added during the House deliberations (Sec. 173.548), that permits rules to be written that expand **the option of double occupancy in the Assisted Living waiver, even if there is no pre-existing relationship, as is currently required, is a very positive step.** It corresponds with the findings of the Scripps Study on Assisted Living which indicated that the room and board reimbursement needed to be increased. It is important that this language remain in the budget and that rules written correspond to its intent.

Allowing two individuals to share a larger Assisted Living waiver apartment is just common sense, what private pay Assisted Living residents do to conserve funds, and essential for continued provider participation in the program. With the room and board rate in the waiver program being held artificially below market value (\$683), based on the federal SSI amount, permitting double occupancy is a way the state can allow the provider reimbursement to increase without costing Ohio funds. We are very supportive of any effort to permit double occupancy for ALW clients, as it would expand provider participation, in essence creating a more equitable room and board reimbursement for providers; and, we request that this choice be made available to Assisted Living providers who wish to serve these residents.

**Unlicensed Assistive Personnel (UAP).** We were also supportive of the proposed Unlicensed Assistive Personnel (UAP) training and certification program that was introduced, but then removed from the house bill. ***We ask that this important program be reintroduced.*** UAPs have

been used very effectively in Assisted Living in other states, at least 23, and we would welcome this initiative, **if** they were **permitted to work with ALL residents within an assisted living – not just those residents that are being served on the waiver.** It would then have the effect, in addition to promoting Assisted Living Waiver services, of potentially reducing costs for all Assisted Living residents, which ultimately serves the state as these individuals are then able to privately pay for their own care longer. Extending the reach of licensed healthcare professionals through the training and education of others is critical as healthcare needs and costs increase.

\*We have also attached with our comments a research brief from the Center for Excellence in Assisted Living that finds that unlicensed trained staff do not have a higher rate of medication errors than licensed staff.

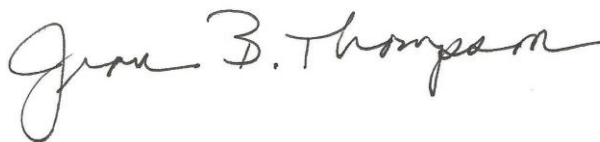
#### *Assisted Living Family Satisfaction Survey*

We are not sure why such a survey is necessary. Assisted Living, as a primarily private pay setting, already has a state commissioned Resident Satisfaction Survey. Results of the every 2 year survey have been very positive. The last overall satisfaction rate was 92.3 %. The addition of another survey would increase costs to providers each year and **not** be reimbursed as it is to nursing home providers.

#### *State Funded ALW program*

We endorse this proposal to permit presumptive eligibility and enrollment in the State Funded ALW program beyond 90 days, if an individual has not received their final financial Medicaid eligibility determination from their County Department of Jobs and Family Services. Any individual on this program has already “passed” the financial review of the Area Agency on Aging and is very likely to be determined financially eligible. In fact, the Area Agencies on Aging have been over 97% correct in their financial reviews. This simply makes sense as any gap can lead to a premature, unnecessary – and expensive - move to a nursing home.

Thank you for your time and consideration. I would be glad to answer any questions I can.



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