

MIRKIN & ASSOCIATES, INC.

DBA



805 MAHONING AVE.
YOUNGSTOWN, OHIO 44502

Phone (330) 747-3541

Fax (330) 744-3936

Chairman Burke, Vice Chair Manning, Ranking Member Cafaro, and members of the Senate Medicaid Committee, my name is David Mirkin. I am the CEO and President of Mirkin & Associates, Inc. dba Comfort Keepers. Our agency provides home care in Mahoning, Trumbull and Columbiana counties. Each week we have 285 employees providing home health aide care to 475 consumers. Under the waiver programs we provide 275 Medicaid consumers with 5,000 hours of care weekly. We are the largest provider of home health aide services in these three counties.

Our agency has provided waiver services for more than 10 years. I consider it an honor to assist the elderly and disabled. According to a report by AARP, 85% of today's seniors want to age in place in their own homes. Our seniors deserve the right to live their golden years with dignity and respect in the environment of their choosing.

The State of Ohio has made great strides in improving community based services. For these services to survive into the future, we need to take a close look at provider reimbursement. If we cannot be paid a palatable rate for our services, we may find it necessary to withdraw from providing waiver services or possibly close our doors and not only force seniors into nursing homes at an average cost of \$65,000 per year, but also put almost 300 Ohioans out of work.

Please look at the handout that you were given. As you can see Passport reimbursement has declined by 1.3% since 2009. During the same time Ohio Home Care Waiver reimbursement has declined 5%. These rates have decreased while we have increased our private pay rates by 20% in attempt to keep up with rising expenses. Minimum wage in the same period has increased by 11% and will continue to increase annually by CPI. There has been an approximate 11% inflation increase since 2009. In addition,

providers now need to address the Affordable Care Act. In 2015, our agency will incur additional expenditures of anywhere from \$40,000 – \$250,000 to be compliant with this new law. Lawmakers in the state have also proposed a potential raise in the minimum wage to \$12-\$15 per hour. We would need reimbursement of approximately \$23 -\$29 per hour to support that increase.

I am here today to ask you to do your part to help save community based services. If the reimbursement pattern does not change, there will not be enough providers to perpetuate the program. Keep in mind that every consumer who enters a nursing home due to lack of available home care will cost the state an additional \$50,000 annually. The “new in house passed version of the budget” proposed a modest but temporarily acceptable 10% increase for home health aide services. Although it is still \$1.50 an hour lower than our private pay rate, it is a step in the right direction. In addition, I find it unfair that we are required to send out nurses for Passport and Ohio Waiver assessments and consultations with no reimbursement provided. The payment for this, as proposed in this version of the budget, at the same rate for the nursing services under Medicaid is also fair. This will help offset some additional costs for Conditions of Participation that have been added since 2009.

I would like to take a few minutes to talk about MyCareOhio. Let me say that the transition has been anything but smooth. Thank goodness for the Area Agency on Aging. They have made navigation for both consumers and providers much easier than it would have otherwise been. Communication with the MCO has proven to be extremely difficult.

We all need to keep in mind that it is all about the consumers. If it doesn't work for them then nothing else matters. So maybe my payment issues are insignificant. But, payrolls must be met each week to keep our aides working. After one year, errors continue to occur every week in processing our payments. One MCO has not yet figured out how to process payment for 2 base hours in one day. This not only results in shortages of payments but additional clerical costs for us. Another MCO owes us \$100,000. They have numerous problems with bill processing and consumers mistakenly being dropped from the program. This can cause anything from non-payment for services to discontinuation of the consumer's service. In comparison the state run MITS payment system for non-dual eligible Medicaid consumers, pays up to date each week with very little discrepancy. One small step to help reduce errors would be to have a unified reimbursement rate for

services. There is no reason for home health aide services for Ohio Homecare Waiver to be paid differently than Passport.’’

I am confused as to what is about to happen. One year of MyCareOhio is now over. I have been told by representatives of an MCO that after one year that the MCO has the right to drop providers and negotiate new rates. If you as lawmakers approve the budget presented to you, do the MCO’s still have the power to potentially negotiate lower rates with providers? Do these proposed rates in the budget not also apply to MyCareOhio ?

I understand that MyCareOhio is probably here to stay. We are still in the early stages of this demonstration. I want to see this program succeed. To do this we need to make navigation easier for all parties. There needs to be more oversight of the MCO’s. I believe that it would be beneficial to have some involvement from providers in the planning and administration part of this program.

Without the needed increases in reimbursement, I can assure you that I and many of my counterparts will discontinue our participation in the waiver programs. These programs will fail without the provider network. Keep in mind that a reasonable increase in waiver reimbursement can equate to a large decrease in overall Medicaid spending. Please help us to keep the most vulnerable Ohioans at home, where they desire, with the dignity that they deserve.

Thank you for the opportunity to testify on behalf of Substitute House Bill 64. I am happy to answer any questions at this time.