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Testimony

Ohio House Finance, Health and Human Services Subcommittee

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Chairman Romanchuk, Ranking Member Sykes and members of the House Finance Health and Human Services Subcommittee, my name is Jean Halpin and I am President of OhioHealth Mansfield and Shelby Hospitals. Thank you for the opportunity to testify on the Executive Budget.

OhioHealth Mansfield Hospital is a 326-bed hospital in Richland County, which has provided quality healthcare to the north central Ohio community since 1908. Mansfield Hospital is the largest medical provider between Cleveland and Columbus with more than 2,400 employees and more than 200 physicians serving 325,000 people in Richland County and the five counties surrounding it. The hospital is also home to the only Level II trauma center within a 60 mile radius.

OhioHealth Shelby Hospital has provided quality healthcare to the Shelby community since 1921. Each year, more than 1,400 patients are admitted, 175 babies are born and 142,000 procedures are conducted for our 13,200 outpatient visits. With a staff of more than 200, the hospital is able to provide acute and short-term skilled care, a full range of outpatient diagnostic and therapeutic services utilizing state-of-the-art technology, rehabilitation and physical therapy services as well as numerous community programs and services.

OhioHealth Mansfield and OhioHealth Shelby are good examples of the changing health care environment. We are the fabric of our communities. One of OhioHealth's guiding principles is to keep care local, and in Mansfield and Shelby, we are recruiting specialty physicians and investing in new medical technologies so that our patients can obtain high-caliber and specialized care close to home.

We recognize our responsibility to improve the lives of those we serve, and a piece of fulfilling that mission lies in the community services and investments we provide that extend beyond patient care.

- Partnering with our local schools, we hire graduates from Project Search, a program that provides students with disabilities an opportunity to transition into the workforce.
- We contribute resources to United Way, the Salvation Army and American Cancer Society.
- We invest in our associates, providing nearly $70,000 in scholarship money so that they may further their education and continue career growth.

- We collaboratively worked with our community partners to establish a Community Health Needs Assessment to focus on health and proactive disease management.

But make no mistake, Mansfield and Shelby are communities with significant challenges. Like much of Ohio, we have been impacted by the opioid epidemic. Many folks in our community struggle with chronic diseases and mental health issues, and the region is also grappling with high rates of infant mortality. A lack of jobs is certainly an issue and, as the county's largest employer, we are keenly aware of our vital role as an economic pillar.

While we strive to employ our resources judiciously, the current budget proposal presents challenges. It calls for significant cuts to Medicaid hospital payments and, for hospitals like mine that serve many people living in poverty or teetering on the edge of it, those reductions could be devastating.

One proposal in particular is quite onerous for not only the hospitals I lead but hospitals across Ohio, and that is the non-contracting provision. This proposal would require that hospitals contract with managed care plans (MCPs) or else be paid at Medicaid fee-for-service rates. So in effect, it unfairly tips the negotiating scales in favor of the MCPs and gives them all the leverage in a negotiation. I would further note that these negotiations include more than just payment rates – they include things like cost savings programs and quality metrics.

For no identifiable reason, this proposal discourages contracts between providers and MCPs. And it is in contrast with free-market principles, as it interferes with the ability of two private entities to negotiate fairly and in good faith. Beyond that, at a time when the administration has touted and moved to a value-based approach, potentially forcing fee-for-service rates on providers seems a reversion back to a volume-based approach to healthcare.

There is simply no need for this non-contracting language.

Since 2014, payor mix in Richland County has shown a 3% decline in Self Pay patients. We have been collaboratively working with our Federally Qualified Health Care Clinic to decrease utilization in the emergency department to directly impact the overall cost of care.

Chairman Romanchuk and members of the Committee, we understand that the state is dealing with many challenges in this budget. As you can see from my testimony and that of my counterparts on this panel, hospitals are dealing with many challenges as well.

I appreciate the opportunity to testify before this committee. Along with the other panelists, I am happy to answer any questions that you may have.