

Good afternoon. My name is Peggy Anderson and I am the Chief Operating Officer for Equitas Health. I want to thank Chairman Hackett, Vice-Chairwoman Tavares, and fellow members of the Committee for the opportunity to share our comments regarding Substitute House Bill 49.

Equitas Health – formerly AIDS Resource Center Ohio – is a nonprofit, community-based health care organization serving more than 60,000 individuals across Ohio through a diverse set of services, including primary and specialized medical care, behavioral health care, dental care, HIV/STI prevention, advocacy, and case management. We also operate two pharmacies in Columbus and one in Dayton. We are one of the nation’s largest HIV and LGBTQ health care service organizations, and the largest recipient of Ryan White grant funding in Ohio. We are concerned about several provisions in Substitute House Bill 49 that will adversely impact the lives of Ohioans, including people living with HIV and LGBTQ individuals. In the interest of time, I will focus my verbal comments on proposed cuts to several Ohio Department of Health line items, but my written testimony also expresses Equitas Health’s opposition to proposed changes to the Medicaid program.

### **Ohio Department of Health Line Items**

House Substitute Bill 49 proposes significant cuts to at least three Ohio Department of Health (“ODH”) line items that will negatively impact Ohioans living with HIV. The first is a 19% reduction to the HIV Prevention and Treatment line item (440-444). This line item helps to provide funding to prevent HIV and AIDS, and acts as a match to receive federal funding from the federal Ryan White grant program. Funds are used to provide education, training, and HIV screening.

Removing a commonsense, successful pathway to care for people at risk of contracting HIV and AIDS in order to save \$600,000 each year of the biennium is short-sighted and will actually result in more costs to the state in the long-run. The state’s relatively low-cost investment in testing, counseling, and education helps to avoid

transmission of HIV and AIDS. These dollars are used to help screen high risk populations, including victims of sex trafficking and individuals with addiction, in community settings (as opposed to traditional health care settings), and link them to care. This line also funds the state hotline, which has already had more than 100,000 website hits and calls this year, exemplifying its ability to reach Ohioans in crisis.

The reductions to two additional ODH line items result from House changes that stripped the administration's appropriation authority. Under the House proposal, ODH would need Controlling Board approval to spend over the House appropriated amount to fully fund its programs supported by line items 440-609 (4L30) – HIV and Miscellaneous, and 440-618 (3920) – Federal Public Health Programs. The House has proposed a 17% reduction to line item 440-609 (4L30) and a \$5 million reduction to line item 440-617 (3920). Restoring appropriation authority is important because it eliminates the uncertainty inherent in giving Controlling Board the ability to potentially not fund the important services supported by these line items. Moreover, restoring appropriation authority does not add money to the system, as the “reductions” are an accounting maneuver.

Line item 440-609, HIV Care and Miscellaneous, is used for multiple programs within ODH, but the vast majority of funds is used for HIV/AIDS prevention and care activities. Drug rebate revenue that the state receives from pharmaceutical companies that manufacture medications purchased and dispensed by the Ryan White/Ohio HIV Drug Assistance Program (“OHDAP”), and grants and awards from private sources that fund various activities and projects within ODH, are deposited into the Nongovernmental Revenue Fund (Fund 4L30). OHDAP provides medications to clients through a specialty pharmacy, which ensures equal access to medications and protection of confidentiality across the state. The program also includes a health insurance premium payment program and a Medicaid spend-down payment program to help ensure that Ohio Medicaid consumers living with HIV are able to access necessary medications and treatments. As the state's largest Ryan White provider, Equitas Health receives \$1.1 million in GRF and

\$3 million from 4L30 through line item 440-609 for Part B services. This does not include federal dollars that pass through this line item.

Line item 440-618 provides funding for many programs within ODH, including those related to emergency health preparedness and response, family planning, safety, chronic diseases, primary care and rural health programs, AIDS/HIV, Black Lung, immunization, STDs, tuberculosis surveillance, and early intervention. This line item houses federal grant money. The House reduced appropriation authority from this line by \$5 million, but the impact to Equitas Health cannot be fully calculated, as the language is unclear as to the programs to which the reduction applies. This line item includes funding passed to Equitas Health through local health departments.

Below are Equitas Health's concerns on the House changes to Medicaid and I hope you can take them into consideration. Thank you for your time this morning and I am happy to answer any question you may have.

### **Medicaid**

Substitute House Bill 49 proposes restrictions on participation in the Medicaid program for the Medicaid expansion population. Specifically, the bill requires the Ohio Department of Medicaid ("ODM") to submit a waiver to the Centers for Medicare & Medicaid Services seeking approval for the state to require Medicaid expansion population enrollees to fulfill a work or education requirement. We believe that good health is a pre-condition to work and that work requirements prevent people from accessing the coverage and care they need to improve their health in order to work. The policy set forth in Substitute House Bill 49 is problematic because it makes untreated medical conditions and chronic illness – including HIV – barriers to work and, thus, to receiving needed health care. It is also important to note that, between 2014 and 2015,

43% of Medicaid expansion enrollees were employed, and 75% of those not employed were looking for work.<sup>1</sup>

We are also troubled by language in the bill that requires ODM to seek Controlling Board approval of all Medicaid expenditures every six months. This six-month funding cycle will impair ODM's ability to administer the Medicaid program efficiently and effectively by injecting into the equation uncertainty regarding the amount of funding levels and, more basically, approval of funds. Additionally, the bill contains new language limiting Controlling Board approval to the lesser of \$10 million or 10% of an agency's budget. This directly contradicts the Controlling Board language requiring approval for all Medicaid spending.

Equally concerning is the requirement that Controlling Board approval of Medicaid spending be dependent upon the following criteria:

- The Controlling Board must be “satisfied” with any changes Congress makes to laws within the jurisdiction of the U.S. Department of Health and Human Services.
  - This is a completely subjective standard. Additionally, conditioning participation in the Medicaid program on the unpredictable actions of Congress is irresponsible.
- The Controlling Board must be “satisfied” with progress made on obtaining a health insurance waiver, the Healthy Ohio Waiver, and enforcing the law regarding cost estimates.
  - Again, attaining “satisfaction” is a subjective standard, and not one on which participation in a federal health insurance program should be based. Additionally, ability to make

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<sup>1</sup> Policy Matters Ohio May 2, 2017, press release. Available at <https://www.policymattersohio.org/press-room/2017/05/02/ohio-house-budget-curtails-medicaid-expansion>

“progress” on these waivers is not within the complete control of the State, as CMS must ultimately approve the waivers. It should be noted that CMS did not approve the Healthy Ohio waiver when it was previously submitted, per the mandate of the Ohio General Assembly.

Lastly, and perhaps most concerning, the bill requires the state to stop participating in the Medicaid expansion program if federal financial participation for the program drops below current levels. As you are no doubt aware, changes to the Medicaid program being sought at the federal level make it not unlikely that this will happen. Impeding the ability of Ohioans in need to access health care through a program partially funded by the federal government is shortsighted. These individuals will not stop seeking care; rather, they will receive care that will be subsidized by privately insured Ohioans and the health care providers that serve them.

These draconian changes to Medicaid will no doubt result in a great number of our patients losing coverage. Loss of coverage for people living with HIV is particularly problematic, as they will no longer have access to the primary and specialty care they require.