Ohio State Medical Association

Bringing physicians together for a healthier Ohio

Testimony of the
Ohio State Medical Association
to the Senate Finance – Health and Medicaid Subcommittee

2018-2019 Executive Budget Proposal / HB 49

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Chair Hackett and members of the Health and Medicaid Subcommittee, my name is Tim Maglione and I am here testifying on behalf of the 16,000 physicians, residents, fellows, and medical students, of the Ohio State Medical Association (OSMA). I appreciate the opportunity to offer comments regarding HB 49, the 2018-19 executive budget proposal.

Medicaid Expansion

As you may be aware, the OSMA supported Medicaid expansion as authorized by the Affordable Care Act (ACA). We believe this expansion has offered a crucial tool to increase access to healthcare for Ohioans who are either uninsured or otherwise unable to see a doctor for medical care. Now that expansion has been successfully implemented by the Kasich Administration, we support the commitment made by the Governor to continue providing coverage to low-income Ohioans.

However, we do not support the provisions added by the Ohio House that move the funds appropriated for the Medicaid expansion population to the Health and Human Service fund and require the administration to receive approval, with caveats, for the release of those dollars every six months from the controlling board. It will be difficult, if not impossible, for physician practices to build a business structure if they are uncertain if the state will release the funds necessary to continue Medicaid expansion.

We urge the Senate to remove the controlling board provision from the bill and give practices the certainty they will need to continue to see Medicaid patients.

Investments in Primary Care

We also have serious concerns about the abolishment of the Comprehensive Primary Care Program (CPC). As you know, the Governor's Office of Health Transformation developed the CPC as a plan to move to a value-based primary care model that financially rewards practices that hold down costs by preventing disease and managing chronic conditions. Currently 92 practices across Ohio are enrolled in

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the program and earn an additional $4 per member per month on average by engaging in activities that are known to keep patients well.

The Executive Budget as introduced included $51.6 million ($13.6 million state) in 2018 and $72.0 million ($19.1 million state) in 2019 to support practices already enrolled in CPC and, beginning in 2018, opened enrollment to any primary care practice in Ohio that wants to earn more by meeting the CPC activity requirements and efficiency and quality targets.

The House stripped this funding and abolished this program, the results of which will have a significant negative impact to our state. The changes made will reduce total payments to primary care doctors by $123 million over two years, will force the state to repay $9.3 million in federal funds already spent on CPC practices, and will require an estimated $370 million more annually on high-cost Medicaid services. Ohio will also forfeit $36.1 million in federal grant funds for violating Ohio's four-year State Innovation Model cooperative agreement with the federal Centers for Medicare and Medicaid Services to implement value-based reimbursement.

We urge the Senate to reverse these changes and restore the CPC value-based payment model.

Mental Health & Addiction Services, Prescription Drugs and the Heroin/Fentanyl Epidemic

The OSMA has been an active participant with the administration and legislature in efforts to curb opioid prescription drug abuse. Numerous laws and regulations adopted over the last 5 years have helped turn the corner on *prescription drug* abuse and misuse. Because of new guidelines for prescribing opioids, the total number of opioid prescriptions decreased by 162 million doses (20%) from 2012 to 2016. Additionally, OARRS use by prescribers has increased from 500,000 queries in 2009 to more than 24 million queries in 2016. Due to these efforts, the number of "doctor shopper" patients have decreased from more than 3,000 in 2009 to 357 in 2016. And, most importantly, the percentage of deaths attributable to opioid *prescriptions* has declined 4 consecutive years.

But Ohio is now in the throes of a heroin/fentanyl epidemic and the OSMA strongly supports the House's $170 million investment to combat the crisis. This financial commitment addresses prevention, education, treatment & recovery as well as law enforcement.

We urge the Senate to keep the $170 million investment to combat the opioid crisis in the bill.

Tax Changes

The introduced version of HB 49 included a new sales tax on elective cosmetic procedures, which we strongly opposed.

The line between what is cosmetic and what is reconstructive is not always bright, and basing a tax on that distinction will demand widespread, complex and risky tax department auditing of individual medical practices. Thus, medically necessary procedures may be subject to the tax.

This provision was removed by the House and we applaud those efforts. We ask the Senate to keep this unwise and unnecessary cosmetic procedure tax out of the bill as well.

The OSMA also supported the governor's proposal to increase taxes on tobacco. The Executive Budget as introduced proposed increasing the tax on cigarettes from $1.60 per pack to $2.25 per pack and equalized the tax on other tobacco products and vapor products (e-cigarettes) with the state cigarette tax rate. This provision was removed from the House passed bill.

For the purposes of promoting public health and saving in Medicaid costs in the long-term, the OSMA is supportive of the originally-proposed tax on tobacco products.

Telemedicine Reimbursement

OSMA strongly supports language added by the House that would create payment parity between telemedicine services and in-office services. Telemedicine, a key innovation in support of health care delivery reform, is being used in initiatives to improve access to care, care coordination and quality, as well as reduce the rate of growth in health care spending. These initiatives offer a promising avenue to expand service delivery for primary care providers and decrease economic barriers to accessing primary care, particularly for patients who find travel difficult, institutionalized patients, and patients that live in medically underserved areas. However, those services will not be fully utilized if there is no payment structure in place for reimbursing providers.

The state of Ohio is currently behind 30 other states who have passed laws providing for reimbursement for telemedicine services. Those states already have payment parity between telehealth services and in-office services. The language included in HB 49 aligns Ohio with these other states by requiring a health benefit plan to cover telemedicine services on the same basis and to the same extent that the plan covers in-person health services. It also prohibits a health benefit plan from imposing any annual or lifetime benefit in relation to telemedicine services other than such a benefit maximum imposed on all benefits offered under the plan and will prohibit a health benefit plan from excluding coverage for a service solely because it is provided as a telemedicine service.

We must provide opportunities for telemedicine reimbursement if we want to see the potential growth opportunities that telemedicine services can provide. With this language inclusion physicians in Ohio will have more avenues to provide access to patients, coordinate care, and improve health outcomes.

We urge the Senate to keep the telemedicine provision in the bill.

Price Transparency

As you are aware, in late 2016, the OSMA, OHA, and other provider organizations filed a lawsuit against the State of Ohio seeking an injunction against a health care price transparency law enacted 2 years ago. The primary concern driving us to take this action was that it is impossible for many health care

providers to realistically comply with this law as written. That law is now on hold pending further court hearings in August of this year.

Since before the lawsuit, we have been working with interested policymakers to craft an alternative transparency proposal that is reasonable, functional, and meaningful. The alternative proposed by the OSMA and OHA would place Ohio among the national leaders in government-mandated consumer price transparency and is comprised of statutory requirements with which physicians and hospitals can feasibly comply.

To be clear, Ohio physicians are unequivocally in favor of the idea of providing clear, good faith cost estimates for necessary medical services to patients. We believe the OSMA/OHA compromise will do just that.

We urge the Senate to repeal the existing transparency law and replace it with the OSMA/OHA compromise proposal which is currently being drafted.

Sunscreen in Schools

OSMA is looking to add an amendment to HB 49 that would eliminate the burdensome requirement some schools, camps and daycares have that prohibit a child from having sunscreen in their possession without a note from a physician.

Just one blistering sunburn early in a child's life doubles the chances of developing skin cancer later in life. Nationally only 11% of students reported regular use of sunscreen and over half of schools nationwide do not have policies that allow children to use sunscreen on school property.

Our simple amendment would create consistent policy across the state that ensures children have access to sunscreen and allow children to possess their own sunscreen. The sunscreen will not have to be provided by the schools, camps or daycares and each of those entities can still require parental consent for the use of sunscreen.

Please support our amendment to protect children and alleviate this burdensome requirement from families.

Conclusion

Thank you for considering the comments of the OSMA regarding HB 49. I will be happy to answer any questions you may have.

OHIO'S RESPONSE to the OPIOID EPIDEMIC

Addressing the state's prescription drug abuse and subsequent opioid addiction troubles, which have been identified as the state's leading public health epidemic.

Progress & Activity
2011 - Present

PREVENTING DRUG ABUSE BEFORE IT STARTS

1. OSMA's *BeSmart* and *Smart Rx®* Campaigns
2. Ohio.gov's *Start Talking Program:*
   - *Know!:* Created to empower parents to raise their children to be substance-free.
   - *5 Minutes for Life:* Law enforcement talking for 5 minutes with student leaders about responsible decision-making, leadership, and encouraging those in their peer group to be drug-free.
   - *Parents 360Rx:* Aims to increase parents' knowledge of substance use and improve a parent's confidence in their ability to speak with youth about substance use.
3. *HB 367* - Opioid abuse prevention education in school curriculums
4. Local community-based programs
   - *Drug Free Action Alliance*
5. Efforts to increase availability of insurance coverage for non-pharmacologic therapies

PREVENTING DIVERSION

1. *HB 366* - Hospice rules
2. Drug take-back, drop-off programs:
   - *DFAA & Ohio AG*
   - *MyOldMeds.com*
3. Medicaid Lock-in

LAW ENFORCEMENT/JUDICIARY

1. *AG Heroin Unit*
2. Highway Patrol traffic enforcement
3. Drug Courts—91 total
4. Disciplinary action against rogue prescribers

REDUCING THE PILL SUPPLY

1. *HB 93* – Shut down "pill mills"; license pain clinics
2. *HB 341* – Mandatory OARRS registration & query
3. *OARRS - Pharmacy Board integration with practice management systems* ($1.5M annual investment)
4. VA now reporting to OARRS; OARRS linked to other states via *PMP Interconnect*
5. *HB 314* – Parental consent, Start Talking Program
6. Standard of care prescribing guidelines:
   - *Acute care*
   - *ER Settings*
   - *Chronic Pain*
   - *CDC*
   - *BWC*
7. Prescriber education:
   - OSMA's *Smart Rx®*
   - OSMA's *BeSmart*
   - *AMA*

TREATMENT & RECOVERY

1. Recovery housing
   - $2.5 million for 900 new beds
2. Medication Assisted Treatment (MAT)
   - $5.5 million to 15 most affected counties
   - Insurance coverage?
3. Expanded Medicaid coverage
   - 700,000 individuals new access to mental health and addiction services
4. *Access to Recovery Program*
   - $7M in grants for recovery support services and treatment services to more than 4,300 criminal justice-involved adults and military services members

SAVING LIVES

1. *HB 110 - Good Samaritan Law:* immunity to those seeking emergency medical help for someone experiencing an overdose under certain circumstances.
2. **Naloxone available through pharmacies** via *standing order*
3. **$1 million for Naloxone** for law enforcement and first responders

Ohio State Medical Association

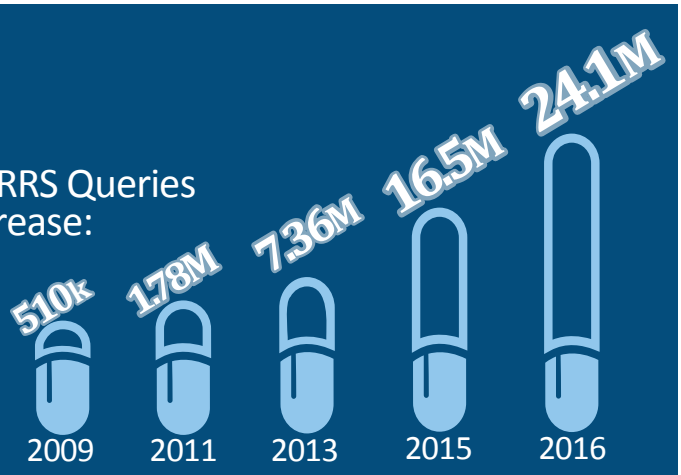
MOST-RECENT IMPACT & RESULTS:

162 M FEWER doses of opioids were prescribed in 2016 compared to 2012

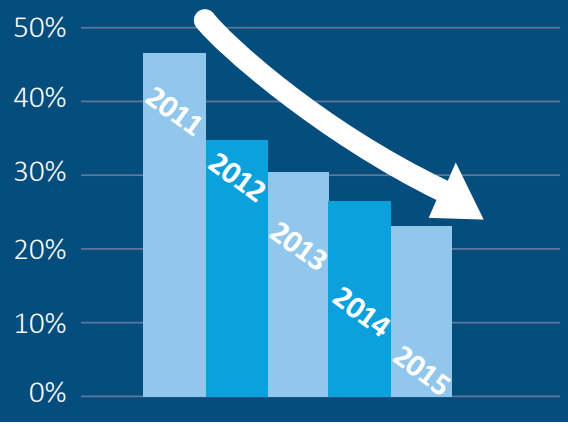
2,205 to 357 **DROP** in number of patients "doctor shopping" from 2011 to 2016 **(83.8% DECREASE)**

22% DECREASE in number of patients with an MED >80 from 2010-2015

OARRS Queries Increase:



Percentage of Unintentional Drug Overdose Deaths Caused by Prescription Opioids:



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Safe Medicine and Responsible Treatment

94% of surveyed participants said it enabled them to stay compliant with state prescribing guidelines.

JUST THREE 20 MINUTE MODULES

- Opioid Abuse & Prescriber Compliance
- Strategies for Managing Pain
- Working with Patients

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