Cleveland Clinic

June 6, 2017

Chairman Oelslager, Vice Chair Manning, Ranking Member Skindell, and members of the Senate Finance Committee, thank you for the opportunity to testify today on HB 49.

My name is Kristen Morris and I am the Chief Government and Community Relations Officer at Cleveland Clinic. Cleveland Clinic is a nonprofit multispecialty academic medical center that integrates clinical and hospital care with research and education. Founded in 1921, our 3,000 physicians provide care to patients as we have over 7.1 million visits per year. Cleveland Clinic is Ohio's #1 hospital according to the U.S. News and World Report, and the state's second-largest employer with more than 51,000 caregivers. The foundation to the following testimony is the foundation of our health system – putting "Patients First."

Group 8 Population

Cleveland Clinic is supportive of continued funding of Medicaid expansion for Group 8, those individuals between 100% and 138% of the FPL. Keeping Ohioans healthier on a consistent coordinated primary care model instead of sporadic and costly emergency room visits enables providers to utilize resources in the most cost-effective manner. As more patients are cared for at a lower cost per patient and become healthier, they are more likely to work and become economically productive members. Our mutual goal with state policy makers is to have members of this population transition into the private pay model.

To this point, the most recent Ohio Department of Medicaid report revealed that among the Group 8 population in Ohio, since gaining access to Medicaid in 2014, 43% reported a reduction in unmet needs, 47% reported improvement in overall physical health, and 75% reported improvement in access to job opportunities. As such, we are concerned with a provision in the House Passed Version of the budget that requires a six month oversight review by the Controlling Board for the continued funding of the Group 8 Population. We believe this provision is counterproductive to patient health care outcomes and could revert the Group 8 population back to the emergency room.

Hospital Payment Structure

The Ohio Hospital Association (OHA) worked with the House to provide essential funding for hospital programs, while also providing predictability for the state budget. First, the House placed an appropriation cap each year on hospital payments. This cap provides the state with a guarantee that hospital spending over the next two years will remain controlled and consistent. Second, the House held rates steady, which provides predictability for hospitals. Finally, the Administration has the authority to reduce hospital rates should the funding for the Medicaid program approach the appropriation cap. Hospitals have already sustained significant cuts in this budget and can't afford to see further reductions in appropriations. We ask that the Senate work closely with hospital finance experts to attempt to reduce the negative impact of cuts on services and programs that the state has deemed essential, such as those targeted at addressing the opiate crisis and our high rate of infant mortality.

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Hospital Non-Contracting

The House removed a provision in the introduced version of HB 49 that significantly impairs hospitals' abilities to contract with Medicaid Managed Care Plans (MCPs). These negotiations create the framework for the relationship between MCPs and hospitals, and are vital to ensuring that free market principles can guide a fair process. We do not believe the state should be involved in these conversations between two private industries. Cleveland Clinic supports the removal of this language in the House-passed version of the budget bill and ask that the Senate agree with the House change on this important issue.

Back on TREK Pilot Program

Cleveland Clinic is also requesting the Senate's support for a $1.3 million budget appropriation for the Back on TREK Pilot Program, which will help provide a new standard of care for lower chronic back pain patients, a high-risk population for opiate addiction. This comprehensive 12-week program helps patients manage their pain without the use of opiates. With this one-time investment from the state, we can enroll 1,000 patients into a pilot program to help establish this new standard of care for treating pain across the state.

Tobacco Tax

Cleveland Clinic also supports the increase in the per-pack tobacco tax included in the Governor's proposed budget. Tobacco use remains the single largest preventable cause of disease and premature death. Each year, tobacco claims the lives of 20,200 Ohioans and costs us $5.6 billion in health care expenditures. Unfortunately, Ohio is on the wrong path when it comes to tobacco use. Almost 1 in 4 Ohioans are smokers. At a time when the national rate is decreasing, Ohio's rate of smoking is increasing. We must turn the tide on this issue.

Telemedicine Parity

Lastly, I wish to express our support for the telemedicine parity language found in the House-Version of the budget. 34 states including DC have laws that govern private payer reimbursement for telehealth services. In most cases, these laws require insurers to cover the same services delivered through telehealth as are covered in in-person visits as long as those visits meet the same standard of care. As the Medicaid subcommittee heard from my colleague Matt Stanton last week, Cleveland Clinic believes telemedicine is an important part of medicine's future, allowing us to reach patients in every corner of the state—where they are. It will not only allow us to increase access, but also patient satisfaction. Our data shows that 86% of patients report overall satisfaction with the Cleveland Clinic Express Care Online.

Thank you again for the opportunity to testify on behalf of Cleveland Clinic. I would be happy to answer any questions.