

June 5, 2018

Dear Chairman Burke and Committee Members,

I am the single parent and guardian of a 30 year old man with complex needs and medical fragility who currently receives services under the Individual Options Waiver and Private Duty Nursing in our home. I have implemented a homecare model for the last 25 years using both Agency and Independent Providers without incident of fraud or waste.

I am here today to voice my concern about Senate Bill 218, which will require Agency and Independent Providers (IPs) to purchase a Surety Bond and which will require these providers to complete training in billing, records retention and Medicaid compliance.

As stated in the Auditors special report of Feb. 27, 2018:

"The services delivered by Medicaid providers are essential to the well-being of some of the neediest – and most vulnerable – members of Ohio's communities. According to ODM, more than 3 million Ohio residents receive Medicaid care on a daily basis. The wealth of dollars earmarked for the state's Medicaid program has drawn a multitude of individuals into the health care industry in recent years. Some are well intentioned but do not take it upon themselves to gain a full understanding of Medicaid rules. Others intentionally take shortcuts around these regulations, leading to abuse of the program".

"...the problems that lead to overpayments typically fall into the same three categories: A failure to maintain complete service documentation, deficiencies in provider qualifications and a lack of prior service authorization."

Based on the number of improper payments for IPs cited in the Auditor's report of Feb 27, 2018, over the last 7 years IP improper payments totaled ~\$3M or an average of \$4.2M per year. This figure represents forty (40) IPs with sixteen (16) owing over \$100K and four (4) of whom owe over \$1M combined. Based on the assumed 1% payment for an IP Surety Bond, money recovered would have been \$390K (13%) or \$55.7K per/year. When you compare this to the total monies of ~\$33M recovered over the last 7 years, money recovered from IPs represent only 1.182%.

As you are aware we have a direct support worker crisis in Ohio. The start-up costs for someone seeking to become an IP can be \$250-\$550 depending on the training needed by the client they will serve. With the additional cost of a Surety Bond, that up-front out-of-pocket expense will increase to \$350-\$650. I ask you, what unemployed person has that kind of money to front knowing it could be 10+ weeks before they are able to start their job and then 2 weeks after that to get paid. I also ask, have you ever obtained a job where you had to pay to be employed.

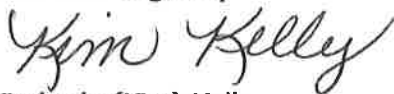
So my questions for this committee and ODM are:

- Why isn't the Medicaid Billing System set up to 'red flag' payments that seem excessive?
- Why are these IPs being snagged almost a year after the fact?
- Why isn't ODM currently providing 'new' and 'renewing' IPs with complete training in billing, records retention and Medicaid compliance in a concise, comprehensive manner

As I see it, these are fundamental steps should already be in play and may have limited much of the improper payments from the last 7 years. Criminals will be criminals no matter what laws you pass to regulate them. The vast majority of IPs are not criminals...human maybe...but not criminals.

But what we are missing in all of this is the population of people who receive the benefits provided by these IPs and who will consequently fall victim to the laws that should and aren't designed to protect them. *"The services delivered by Medicaid providers are essential to the well-being of some of the neediest – and most vulnerable – members of Ohio's communities."* As a parent/guardian and advocate for people with disabilities, with over 10,000 IPs in Ohio, the "fraud & waste" numbers do not appear to support the need for IPs to obtain Surety Bonds and so I ask you to please exclude all IPs from SB218.

With kind regards,

A handwritten signature in cursive script that reads "Kim Kelly".

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