

Testimony on Am. Sub. House Bill 166
Joe Russell—Executive Director
Ohio Council for Home Care & Hospice
May 16, 2019



OHIO COUNCIL
FOR HOME CARE & HOSPICE

Chairman Hackett, Ranking Member Thomas, and Members of the Senate Finance Health and Medicaid Committee, thank you for allowing me to provide testimony today on amended substitute HB166—the state budget. My name is Joe Russell and I am the Executive Director at the Ohio Council for Home Care and Hospice (OCHCH). I'm testifying today to ask for your support to increase Medicaid home health rates, as well as for a couple other policy changes to improve home and community-based care.

Increase Skilled Home Health Rates

Home health rates are less today than they were in 1998—no, this isn't a per capita adjustment. As a refresher, 1998 was the year the first Apple iMac was released, the movie Titanic dominated the Oscars, Harrison Ford was the sexiest man alive, DVDs had just been released and there were no smart phones or social media. Back then a two-liter of Coke cost \$0.89, gasoline was \$1.09 a gallon, movie tickets were \$5 and the minimum wage was \$4.25 per hour.

Today, Ohio is dangerously close to a crisis point in its home health Medicaid program because home health providers are unable to cover the costs of providing care. These agencies are beginning to discharge their Medicaid caseloads due to abysmally low reimbursement rates and the inability to recruit and retain qualified providers.

Just like businesses in other sectors, home health agencies are now faced with making tough decisions about the future of their businesses. We're at the point where we need to seriously consider what the state will do when thousands of vulnerable Ohioans are left without the ability to stay home, and Medicaid spending continues to sky rocket due to the use of more costly care for this individuals.

The low reimbursement rates themselves are not the only factors contributing to the current crisis. Agencies now have to deal with expensive federal Medicare mandates such as a major shift in the Medicare Conditions of Participation (CoPs), pre-claim review, and a new payment model called Patient-Driven Grouper Model (PDGM). On top of all that, agencies are straddled with having to implement Electronic Visit Verification (EVV) for Medicaid community-based services, which has been more difficult and costly than we could have expected.

But as Medicare has gradually increased its rates to lessen the impact of these mandates, Medicaid in Ohio has not. A significant gap in rates now exists that makes it much more difficult to accept Medicaid patients when given the choice between the two. There is a growing crisis with the lack agencies willing to provide Medicaid home health services, with pediatric therapy specifically in a vulnerable and dangerous position. In fact, due to payment related issues, there are now no pediatric therapy

providers in Southeast Ohio. This “access gap” will continue to grow as the Medicare population—whose patients are given a reimbursement roughly three times greater than that of Medicaid—crowd-out Medicaid recipients.

The bottom line is that Ohio must stabilize home health rates to avoid the pending crisis that could leave thousands of Ohioans without care. To address this issue, OCHCH proposes a budget amendment that would provide for a 10% increase to the below home care skilled care services:

- An increase to home health state plan services (aide, nursing, and therapy);
- An increase to private duty nursing (PDN) and Ohio Home Care Waiver nursing and aide services; and
- Unit realignment so the “base rate” is paid after the first unit of service now that EVV uses straight units.

The chart below shows the significant difference between current Medicare and Medicaid rates.

HH Discipline	Medicaid Base Rate	Medicare Per-Visit Payment	Difference
Aide	\$23.57 (after 35 minutes)	\$66.34	\$42.77
Skilled Nursing	\$47.40 (after 35 minutes)	\$146.50	\$99.10
Occupational Therapy	\$69.94	\$161.24	\$91.30
Physical Therapy	\$69.94	\$160.14	\$90.20
Speech-Language Pathology	\$69.94	\$174.06	\$104.12

Medicaid Managed Care Issues

OCHCH is seeking to address issues with Medicaid managed care in home health pertaining to transitions of care and recoupment, which are disrupting care and ultimately preventing agencies from getting paid.

There are two major provisions discussed below that the House addressed on our behalf, and we are asking that you retain these provisions throughout your deliberations.

1. *Transitions of care*—home care providers are struggling to comply with the federal requirement to admit a patient within 48-hours of a referral due to pre-authorization delays, which have reportedly taken up to 14 days in some cases. Consequently, OCHCH member agencies are frequently not admitting patients from Medicaid managed care plans, or they accept patients and never get paid for those visits. To address this issue, the House included an amendment that would prohibit a prior authorization for the first ten-days of service when a home health patient is referred by a physician, a skilled nursing facility, or a hospital. Similarly, hospice patients should *not* be required to have any prior

authorization for service because it requires two physicians to certify that a patient may elect hospice care.

2. *Recoupments*—home care providers are struggling to ensure positive cash-flow because of a lack of uniformity in the look-back period for recoupments. Our members are experiencing excessive recoupment practices where in some cases claims are recouped four to five years after the services were provided and the claim was paid. To make matters worse, home care agencies are not always given the critical information needed to verify that the recoupment was legitimate, thus creating administrative issues in addition to the cash-flow problem. To address these concerns, the House included an amendment that would streamline the look-back/recoupment period for Medicaid managed care plans to one-year, which would bring parity with the Medicaid fee-for-service lookback period. Since the inclusion of this amendment, I have spoken to some plans that have concerns with a one-year cap because it is too short. We understand this concern and would be willing to support a larger cap not to exceed 24 months.

We humbly ask that the Senate support these House changes and allow them to remain a part of the bill.

Hospice Pass-Through Payment Issue

OCHCH is seeking to reduce administrative overhead for hospice agencies by eliminating the requirement that hospice agencies operate as a pass-through for room and board reimbursements to skilled nursing facilities (SNF). This change then ensures critical resources are being directed toward the intended patient care.

Once a SNF resident elects hospice care, a licensed hospice program goes into that SNF and provides the hospice care for the SNF through private contracting. At this point, however, the SNF no longer bills Medicaid for the room and board as they previously had done. The hospice care program is now required to bill Medicaid for the room and board and act as a pass through to the SNF. As you can imagine, this process has become an administrative burden for both the hospice program and the SNF.

To address this issue, we worked with the OHCA on an amendment to eliminate the pass-through and ensure the SNF's receive 100% reimbursement (it's only 95% under current law). We've been in contact with other states as well as CMS about this change, and there is a specifically defined process that Ohio must follow, which involves amending the hospice Medicaid state plan. While it will take some time to finalize the details administratively, this amendment would grant ODM the authority to seek the necessary changes.

Finally, we had broad support for this concept in the House, but simply ran out of time to make the needed changes to this language. Now that we have finalized the language and have secured the support of the OHCA, we respectfully ask the Senate to include this amendment in their changes to Am. Sub. HB 166.

Thank you very much for your attention to these important issues. I would be happy to answer any questions you may have at this time.