



Proponent Testimony

House Bill 562

Dave Cocagne, Chairman

Silver Birch Living

House Families, Aging and Human Services Committee

November 17, 2022

Chair Manchester, Vice Chair Cutrona, Ranking Member Denson and members of the House Families, Aging and Human Services Committee, thank you for holding this committee hearing and for the opportunity to testify in support of House Bill 572.

My name is Dave Cocagne and I am the Chairman of Silver Birch Living. Silver Birch makes quality assisted living affordable for everyone. Residents of all means—including those who qualify for financial support—can enjoy a lifestyle of unmatched quality and personalized service. I want to thank you for scheduling this committee hearing to hear testimony on this legislation. Silver Birch Living has been working with legislators, advocates and interested parties for over five years to bring affordable assisted living to Ohio.

I would like to briefly outline the current situation in the state of Ohio and the need for this important legislation. Imagine a senior who loses a spouse suddenly and can no longer live at home or someone who has an acute medical incident and must move into a congregate setting. I am sure many of you have constituents who have faced this fate. Today in Ohio, if you're a low to moderate income senior (which in many communities is 60-65% of those over age 75) and don't have 3-4 years of assets to pay for assisted living, you have no place to go other than a nursing home. Yet, you don't need nor want to be institutionalized.

Silver Birch and our peers provide an alternative to seniors. We are a low-cost home and community-based setting alternative to skilled nursing care for those qualified by Medicaid. Everyone living with us is nursing facility level of care qualified. That is a legal requirement under state and federal law. This means, without this option, they are headed to a skilled care facility. We provide every resident his/her own apartment with a kitchenette and private bathroom. Along with that, we provide an abundance of common areas, 3 meals a day, and an overlay of support services such as medication administration. We provide for all the major social determinants of health. We allow every senior, whether he/she has any assets or no assets, to age in place and have the security of being able to stay.

This is not an unproven concept. Today Silver Birch serves over 900 residents in Indiana. We invested over \$200 million to create 9 communities with over 1000 units of affordable housing. In Ohio, we have identified over 20 communities that could benefit from a program like this. These projects would generate about \$600-700 million in investment and would save the state's Medicaid program somewhere between \$70 and 80 million annually compared with skilled nursing care. It has been clearly documented that Ohio's assisted living waiver rate is too low and does not allow for facilities that provide waiver services. In Indiana, for the ratio of nursing home beds to AL waiver is 4:1; in Ohio, it's 19:1.

House Bill 572 will enable expansion of HCBS options, providing seniors more autonomy and in doing so save Ohio's Medicaid program hundreds of millions of dollars. The number of people aged 65 and older in Ohio is projected to rise 33% over the next 15 years to more than 2.3M people. This stems from average life expectancy increasing from 68 years in 1950 to 78.9 years this year. Demographics alone will place enormous burdens on the healthcare system and state Medicaid budgets. Increasing rates of obesity and Alzheimer's disease will only amplify this trend. As a result, states and MCO's desire to shift seniors out of high-cost settings while still addressing social determinants of health as they age.

While the Department of Medicaid has told us that they do not take positions on bills that they did not draft, we have been communicating regularly with both Medicaid and Aging. You will see a number of changes from the originally introduced version of this bill to address many of the concerns that have been discussed.

The time is now to pass this important legislation. The language in the bill is not effective for 90 days after it is passed. The department also has 90 days to draft rules. This aligns the implementation process with a similar timeline as the budgeting process.

Chair Manchester and members of the Committee, we would appreciate your support of this important legislation. I am happy to answer any questions that you may have.