



Testimony to the Full House Finance Committee

Chairman Oelslager, Vice Chair Plummer, Ranking Minority Member Crawley, and all members of the Committee,

Thank you for this opportunity to address you on Assisted Living and the states upcoming budget. My name is Jean Thompson, and I am the Executive Director of The Ohio Assisted Living Association (OALA) representing 580 licensed Assisted Living communities. Our members represent the diversity of Assisted Living in Ohio; for-profit, not for profit, corporate entities, and single owner properties. While Assisted Living is primarily private pay, there is a small Medicaid Waiver program serving about 6850 people. This program would be larger were it not for the program's low reimbursement history which would be good for Ohio as all individuals in it are nursing home eligible and without the Waiver would likely receive more expensive services in nursing homes. This is a money saving program.

Since its inception in 2006, it has only experienced one increase and that came following the last budget. It was an increase of 3.25%, although the Legislature approved 5.1%. Current rates are \$51.60, \$61.95, and \$72.26 per day dependent on Tier Level. There are 3 Tier Levels with most residents in the program in Tier III.

Per Director Corcoran of Medicaid there are funds in this budget for a 4% increase in reimbursement for the program and we are grateful to the Administration and Directors Corcoran and McElroy for this proposed increase.

While we appreciate the Administration's suggestion of the 4% increase, moving the reimbursement to **\$53.66, \$64.43, and \$75.15. It is not enough to cover costs.** Following the testimony given to the Subcommittee, all the HCBS associations decided to unit and ask for a 5% increase across the board in each year of the budget. There will be an amendment forthcoming outlining this ask and will make its way to the House Finance Committee. Attached to my testimony today is information on the costs of the proposal agreed to by the associations representing the services of the Home and Community Based Services referenced.

The Assisted Living Waiver provides a private apartment, meals, snacks, activities, housekeeping and 24-hour access to help along with basic Activities of Daily Living (ADL) services and medication administration by a nurse dependent on an individual's Tier Level within the program. At the highest level currently, the reimbursement is only \$72.26 per day plus \$24/day for room and board (this amount is set by the State but paid by participants). This reimbursement has not kept pace with the costs of providing care. Providers have simply not been able to expand this program to meet rising need based on these levels of reimbursement – particularly during COVID. Please see attached materials providing details on the required services in the Assisted Living Waiver, and the rising cost of providing Assisted Living services compared to program reimbursement.

This is why we respectfully ask the House Finance Committee to ultimately approve more funding for the program than the State offered 4%. Following the pandemic, there will be increased demand for the Assisted Living Waiver, based on people's hesitancy during a time of restrictions to come to Assisted Living even when it was needed.

In the initial stages of COVID, the current reimbursement barely covered the costs of very expensive PPE, increased staffing costs and disinfecting expenses. These items remain an issue yet today. Assisted Living has not received the financial support during COVID of our skilled care colleagues, nor any direct shipments of PPE, although we have throughout the pandemic been aligned by the State with them in terms of requirements and reporting.

While not primarily a budget issue, nor just an Assisted Living Waiver issue, but an all Assisted Living issue, we would like to take this opportunity to ask Legislators to consider targeting relief funds to Assisted Living. Last year, we did receive Controlling Board funds from discretionary CARES Act dollars the state received as did other healthcare providers. However, we only received \$32.5 million, whereas nursing homes received \$117 million. There are approximately 950 nursing homes in Ohio and approximately 789 assisted living communities serving roughly 38,000 Ohioans.

People are surprised by what a large number of Assisted Living communities there are, not realizing what a big part of the Long-Term Care landscape Assisted Living has become. The disparity in the funds we received needs to be addressed whether it is through remaining CARES Act dollars the State has or as more are allotted to the State in new federal funds.

The budget contains language applying to “homes” in Ohio requested by State Agency Directors that would change the current process of “real and present danger” and subsequent “injunctive relief”. A process exists currently where if a home is found presenting real and present danger to residents that the ODH can solicit closure if certain conditions are not met through the courts. This process requires notification to the provider and outlines what must be done to correct the situation. The new language in the budget would not require notification of the provider in advance but could essentially at the discretion of Health close the home. It would also require re-payment to the State agencies if correction of the situation cost them monies and potentially a fine of up to \$250,000 dollars could be levied. We oppose this language as it does not give a provider an opportunity to make corrections and the fine for many of our providers coupled with the effects of COVID-19 could put them out of business.

In closing, I ask you to support a 5% increase in each year of the budget. The Assisted Living Waiver is a money saving program for Ohio. All individuals on it are Nursing Home eligible and would likely go to a nursing home except for the availability of the lower cost ALW placement.

Also, we ask you to review whether there are any remaining CARES Act dollars that could be targeted to Assisted Living, which is in desperate need of them. I would be glad to answer any questions I can.

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