

March 2, 2021

The Honorable Bill Roemer
Chairman, Finance Subcommittee on Health & Human Services
Ohio House of Representatives
77 S. High Street
11th Floor
Columbus, OH 43215

Re: Addressing the Need for Additional Private Duty Nursing Reimbursement Rates under Medicaid

Dear Chairman Roemer, Ranking Member West, and Distinguished Members of the Committee:

My name is Kevin Martincek and I am the Area Vice President at Maxim Healthcare Services, Inc. (“Maxim”). Maxim is a national provider of home healthcare, homecare, and additional in-home service options. We provide over one million hours of services per year in Ohio via 10 offices employing approximately 2894 nurses serving over 1560 patients throughout the State, primarily offering private duty nursing (PDN) services. Private duty nursing is continuous skilled nursing care provided in the home for medically-complex and vulnerable pediatric and adult patient populations under Medicaid, many of whom require assistive technology such as ventilators and tracheostomies to sustain life. We are also members of the Ohio Council for Home Care & Hospice (OCHCH), which represents the interests of home health providers in Ohio.

Our nurses serve the most medically fragile individuals in the state—including complex children with special healthcare needs (CSHCN) and children with complex chronic conditions (CCC) along with adult patients who require similar services. These individuals require skilled nursing services performed in the home by a registered nurse (RN) or licensed practical nurse (LPN) under the supervision of an RN from between 4 to 24 hours per day every day in order to manage their chronic condition and keep them safe in their homes and communities. Our goal is to keep these individuals in the setting that promotes their highest quality of life and allows them the opportunity to engage in their Ohio communities.

Unfortunately, many Ohio children with special healthcare needs are either not receiving enough nursing services in the home or not able to access these lifesaving services due to the lack of available nurses stemming from the state’s incredibly low Medicaid reimbursement rates. Ohio’s current reimbursement for home health nursing is not only insufficient to maintain adequate staffing and patient care, but it is also below that of every single neighboring state (Kentucky, Pennsylvania, Indiana, and West Virginia) which is resulting in the migration of Ohio’s skilled nursing workforce. This patient access crisis has only been exacerbated by the COVID-19 public health emergency.

Ohio’s Medicaid reimbursement rates for these critical services needs to change. The current skilled home health reimbursement rates are the same today as they were in 1998—leaving the

rates the same for over 20 years. This lack of investment in this area has created critical access issues for services and has left many patients forced to seek more expensive care in nursing homes or hospitals at precisely the time when that capacity is needed elsewhere. In fact, some children who qualify for home health services in Ohio have been forced into prolonged hospital stays due to the lack of available nursing. Nationwide Children's Hospital, right here in Columbus Ohio, reported that over the last two years, they have had more than 35 patients in their hospital for more than 200+ unnecessary hospital days. Additionally, since 2018, Cincinnati Children's Hospital and Medical Center (CCHMC) has reported 8,165 avoidable hospital bed days. These children are being denied comfortable nursing care at home while also costing Medicaid ~\$3400 a day.¹ Meanwhile, should the state increase Medicaid reimbursement rates to that of any neighboring state, the average cost of providing continuous private duty nursing in the home to a child would only cost Medicaid 1,320 per day.²

We have obtained letters from seven different Ohio hospitals voicing concern over the lack of Medicaid reimbursement for private duty nursing, which we have submitted to the record.

The committee has the opportunity and responsibility to offer these children and their families a better way of life, while also helping balance Ohio's Medicaid budget. Raising reimbursement rates is not only the right thing to do for these children and the medically fragile population, but it's also the right way to spend Ohio's precious Medicaid dollars and put a stop to unnecessary hospital and other institutionalized healthcare bills.

Governor DeWine has worked to prioritize children with complex healthcare needs, and offered a 4% increase to Medicaid PDN rates. While our nurses are grateful for the Governor's recognition of this critical healthcare service, a 4% increase will still leave Ohio's reimbursement rates woefully below that of other surrounding states and will not combat the ongoing nursing shortage. If the committee wants to make a difference in the lives of these children and Ohio's nursing profession, which we believe they do, we urge the committee to address Ohio Department of Medicaid (ODM) spending and to help put Ohio's Medicaid reimbursement rates on a sufficient trajectory to compete with other surrounding states and stabilize home health services.

Benchmarking the state's rates with other surrounding states will not be enough to raise Ohio's national Medicaid spending ratings (Ohio's Medicaid expenditures for children are 47th in the national and 20% below the national average³), but it will allow us to compete with other states and provide a living wage to our specially trained nursing workforce. Increasing Ohio's depressed Medicaid rates to \$55.14 an hour for RNs and LPNs would place Ohio's reimbursement rates in the direct middle of our neighbor states and will have a tangible effect on children, their families, and the great state of Ohio.

¹ This is the average amount incurred by Medicaid. The average overall cost of one pediatric ICU day at CCHMC is \$11,000 and the average cost of one day in the transitional care center at CCHMC is \$4000.

² Across a typical 16 hour PDN shift assuming the state raises the Medicaid reimbursement rate to \$55.14 an hour for RN and LPN services (the halfway point between West Virginia's rates of \$44.08 an hour and Pennsylvania's Rates of 66.20 an hour for RNs). The actual overall cost for a typical 16 hour PDN shift in Ohio under current rates is much lower, at only \$574.72 per day.

³ Sellers Dorsey: Medicaid 1010 and Options for Improving Medicaid Coverage for Young Children, March 18, 2019

Ohio's reimbursement rates have fallen far behind increases in the Consumer Price Index (CPI) and have started to fall behind wages for similar positions in other settings because of the 20 year neglect that home health nursing rates have seen. Non-competitive reimbursement rates for Medicaid providers, including those who administer PDN services, result in workforce challenges. These include increased overtime for caregivers and difficulty in finding qualified caregivers because Providers' challenges in attracting caregivers can result in an insufficiently-sized workforce with the appropriate sophisticated skill levels to care for this highly complex population in the home.

Non-competitive wages and caregiver burnout exacerbate Ohio's ever-growing recruitment and training challenges and result in increased turnover in our nursing staff—a problem that can be the difference between life and death for a child. Furthermore, low reimbursement rates do not meet providers' operational expenses, nor allow providers to compete in the labor market. Increasing Medicaid reimbursement rates will allow providers to recruit and retain quality employees by providing more competitive wages to attract the most qualified caregivers for complex and high-acuity children and adults.

Lastly, the COVID-19 public health emergency has made the delivery of PDN services more difficult and costly. Appropriate increases to reasonable rates will help address the increased costs and difficulty in providing PDN services related to COVID-19 and ensure the continued delivery of this critical service. Medicaid providers have been on the front lines of the pandemic and reducing funding will jeopardize our ability to plan for future outbreaks and continue to provide necessary health services. PDN services are critical to the population we serve, and are a cornerstone of maintaining Ohio's commitment to wraparound services under Ohio's next generation of Managed Care.

Thank you for your support of home health and private duty nursing services in the state of Ohio. We hope that the committee will consider our desperate request to increasing Medicaid reimbursement rates for skilled home nursing services so that Ohio can compete with neighboring states and keep their skilled nursing workforce. We want to work with you to promote a better lifestyle for children with complex healthcare needs in our community and continue to bring children home by offering them the nursing services they need. If you have any questions, please feel free to contact me directly at kemartin@maxhealth.com or Maxim's Director of Government Affairs, Veronica Charles, at vecharle@maxhealth.com.

Sincerely,

A handwritten signature in blue ink that reads "Kevin Martincek".

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A handwritten signature in blue ink that reads "Veronica Charles".

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cc: Members, House Finance Subcommittee on Health & Human Services