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Chairman Roemer, Ranking Member West and members of the House Finance Subcommittee on Health and Human Services, thank you for the opportunity to testify today. We are here as proponents of the As Introduced version of House Bill 110, the FY 2022-2023 state operating budget, because as it relates to hospitals, this bill represents a continuation budget from the last General Assembly.

The state continues to be a conservative steward of state General Revenue Fund expenditures, while also providing stability and predictability for Ohio's hospitals. You can only imagine how needed this is, and we are grateful to Governor DeWine and the General Assembly.

My name is Scott Borgemenke and I serve as the Senior Vice President of Advocacy for the Ohio Hospital Association. I am here today on behalf of OHA's 240 hospitals and 14 health systems.

Established in 1915, OHA is the nation's first state-level hospital association. OHA exists to collaborate with member hospitals and health systems to ensure a healthy Ohio. The association is governed by a 20-member Board of Trustees with representation from small and large hospitals, teaching facilities and health care systems with a committee and task force structure.

Hospitals are the crown jewel of their communities. They provide care for more than 35.7 million patient encounters each year, and Ohio hospitals directly employed 258,000 Ohioans and indirectly supported another 284,000 jobs in our state in 2019.

These statistics are important. But what they don't tell you is the story of what hospitals and health systems have experienced over the past year. Health care facilities—along with our doctors, nurses, and other team members—have been on the front lines of the COVID-19 pandemic, working tirelessly to provide the best care for patients, families, and communities. They have done this and continue to do this while facing daunting challenges.

COVID-19 FINANCIAL IMPACT

The COVID-19 pandemic has threatened the long-term financial viability of many Ohio hospitals. From the March 9, 2020 declaration of the public health emergency to the May 1, 2020 restart of some elective procedures, Ohio hospitals suffered a combined \$2.38 billion in lost revenue and unanticipated emergency expenses. As elective procedures continue their gradual phase-in, hospitals continue to experience low patient volumes and decreased hospital utilization. To date, the total financial impact on Ohio hospitals is \$4.93 billion.

While the federal government has provided some relief, it is not sufficient to address this seismic hit to hospitals and we anticipate the financial challenges associated with COVID-19 will continue for the foreseeable future.

For an industry that has experienced such unprecedented trials, it is of utmost importance to have stable and predictable funding models going into the next biennium. The DeWine Administration's proposed budget does this by providing hospitals with financial stability that will allow our members to continue to provide high quality care for our patients and your constituents.

PROPOSED HOSPITAL LICENSURE PROGRAM

A provision in the budget that is of interest to hospitals is the hospital licensure proposal. OHA looks forward to working with the Ohio Department of Health on various aspects of this proposal, and we are encouraged by our early conversations with the administration. As we work with the administration on this proposal, we believe it is important to highlight the many layers of regulation to which hospitals are already subject:

Hospitals that participate in the Medicare program (all hospitals do) are required to comply with the Medicare Conditions of Participation, which regulate virtually all aspects of hospital operations. In addition to meeting the Conditions of Participation, almost all hospitals are accredited by federally recognized organizations that survey hospitals for compliance with accreditation standards and the Medicare Conditions of Participation.

At the state level, hospitals are currently required to be registered by the Ohio Department of Health. And numerous specific service lines are subject to licensure and/or an ODH inspection process, including: maternity services; psychiatric services; organ/bone marrow transplant services; cardiac catheterization; open heart surgery; linear accelerator, cobalt radiation, or gamma knife services; and pediatric ICU, cardiac catheterization, and cardiovascular surgery services.

As we work with the administration on the licensure proposal, some areas of interest for hospitals include: the amounts of various fees that ODH intends to charge for the program; the scope and extent of ODH's rule-making authority; and ODH's enforcement authority.

MAINTAIN MEDICAID COVERAGE

Ensuring eligible Ohioans have continuous access to insurance and quality health care is essential to the state's recovery from the pandemic. OHA is supportive of maintaining coverage through the Medicaid program because it promotes preventive care and prompts earlier interventions and treatment at the most appropriate level of care. Maintaining this coverage is instrumental in lowering the uninsured rate, improving access to physical and mental health care, increasing financial security, and improving the overall quality of life for Ohioans.

MEDICAID MANAGED CARE PROCUREMENT

Key to a working environment that focuses on the health outcomes of Ohioans covered by Medicaid is increased managed care accountability. OHA was pleased to see the DeWine administration announce their intention to re-procure Ohio's Medicaid managed care contracts. We have been active participants in the process thus far by engaging our membership to provide feedback on their experiences and potential ways to improve the program, which we shared with the Department in writing and through listening sessions. The Managed Care Procurement RFA closed on November 20, 2020 and we are eager to hear about next steps. We look forward to working with the Department to achieve our shared goals, including improved wellness and health outcomes, supporting providers in better patient care, and increasing program transparency and accountability.

TELEHEALTH

I would also like to briefly mention our appreciation for the continued support of telehealth coverage that is reflected in the governor's budget. Ohio hospitals have long supported the use of telehealth as we find new ways to increase access to care, lower costs, improve patient satisfaction and, most importantly, improve clinical outcomes. In response to the COVID-19 pandemic, both the state and federal government made changes to telehealth policy. In August 2020, the Department of Medicaid filed a rule to make permanent the emergency rules previously issued by the state. The rule expanded the types of providers eligible to render telehealth services and reduced restrictions on patient and provider site locations. These flexibilities have proved beneficial in many ways for both patients and providers.

Chairman Roemer, Ranking Member West, and members of the subcommittee, thank you for your time today. I look forward to continuing our work on this budget and other important issues and welcome any questions you may have.