

**Senate Finance Committee
Am. Sub. House Bill 110
Intellectual & Developmental Disabilities Issues
May 13, 2021**

Good morning, Chair Dolan, Vice Chair Gavarone, Ranking Member Sykes, and members of the subcommittee. I am Pete Van Runkle from the Ohio Health Care Association. OHCA represents providers of assisted living, home care, hospice, intellectual and developmental disabilities, and skilled nursing services. We appreciate the opportunity to appear before you today to discuss the Department of Developmental Disabilities budget on behalf of our members serving in that arena.

While OHCA supports the budget initiatives outlined by Director Davis, we'd like to focus on the key issue impacting services to people with developmental disabilities today – workforce!

We know many businesses are struggling to hire sufficient staff to operate. However, when agencies who serve people with disabilities are unable to hire quality workers to provide those needed supports, someone goes without services or a parent has to quit their job to stay home and take care of their child.

Imagine depending on someone to provide for your basic care needs, such as bathing, helping you get dressed, feeding you, or helping you use the restroom. Now imagine the person who provides that assistance changing on a daily basis or even worse, just not showing up one day. Imagine being the parent who, after making multiple calls to different agencies and not being able to find one who can care for your adult child, has to make the tough decision to quit your job to stay home so you can provide that care.

This is the reality facing many Ohioans. Providers of services to people with developmental disabilities have been dealing with a workforce crisis for years. Since the pandemic hit, the crisis has reached a breaking point. Providers are unable to find staff to meet the needs of the people they serve. We'd like to share a few of our member's experiences today.

One OHCA member in northeastern Ohio was a family-owned agency. They operated a larger ICF and worked with DODD to downsize that home over the past couple of years to offer some of their residents the opportunity to live in smaller homes in the community. The multiple

smaller locations required several times more staff than the original ICF, and the provider struggled to fill those positions. Eventually, last summer, the family made the tough decision to sell their business, as they just couldn't keep up with all of the demands and struggles in the industry.

Another member in Medina County recently had to close an eight-bed home. They moved several folks to other homes because they couldn't maintain the number of staff needed for the additional location. That same provider recently increased their starting wage to \$13 per hour. The member shared yesterday that they recently held interviews and offered eight people positions with the organization. All eight accepted, but only one showed up for the first day of orientation.

Another provider in Ottawa County recently closed a building that could be home to 12 people with disabilities. This provider shared that they have more than 15 people currently on their waitlist, wanting the provider to serve them. They get at least two calls a week asking if they will provide services to someone in need, but unfortunately they have to continue to turn those folks away.

A large member who provides both ICF and waiver services in multiple counties reported that they have 150 open positions agency-wide, with 49 staff lost just since January. Their overtime is running at 18%, increasing each pay period. At their Lima location, they are down 20 staff positions and have had to avoid taking new clients. They have 8 open ICF beds and also are serving fewer people in their licensed waiver sites because they cannot staff them.

And it's not only providers of services to people in their homes. Our providers of supports to people during the day are facing the exact same challenges. A member in southwestern Ohio shared that they typically have 20 inquiries for each one new direct support professional (DSP) they hire to work in their day programs. They have been trying since last year to hire people for management positions and LPNs for their locations with absolutely no luck. In fact, this provider recently had to delay opening a location in Butler County because staffing concerns.

Our members have such a passion for helping and serving people with disabilities. Not only have they been dealing with COVID-19 and trying their best to educate themselves and their staff on the best ways to keep people safe, but they have had to do so at a time where they do not have the resources they need. One executive shared that it is just heartbreaking to feel like they are only able to meet the minimum care needs for the people they serve, knowing that they aren't able to provide their previous quality of care because of lack of staff. Other members shared that they have had all levels of administrative staff, even the CEO, cover shifts and provide hands-on care.

The staff who are working often are required to put in a staggering amount of overtime just to cover all of the shifts where staff are needed. Our DSPs are the backbone of the DD service system. The support they provide people with disabilities allows them to live their lives with dignity as a part of our communities. DSPs provide supports in a variety of settings, such as a

residential or day services setting, a person's family home, a place of employment, or in community activities. These services and supports are needed 24 hours a day, seven days a week. DSPs work nights, weekends and holidays. They celebrate life, birthdays, and holidays with the people they support. The job is overly demanding, but the value of the work they do can't be confined to a single statement.

Unfortunately, low Medicaid reimbursement for these services leads to low wages for the staff who provide the services. Unlike many other Medicaid services, DD services are not covered by Medicare or private insurance. The wages DSPs receive are directly tied to the Medicaid reimbursement rates for the services they provide. This is where we need your help.

During the last biennial budget, the General Assembly recognized the need to raise reimbursement rates for homemaker/personal care services. While we are grateful for that investment, we still have quite a way to go. We also need to invest in our other Medicaid services for people with disabilities like those that provide respite for family caregivers, shared living, day and employment services, and transportation. The residents in our ICFs also need sufficient funding for the services they receive, which would come from the formula the legislature created three years ago if it is allowed to operate.

While we know the additional funding we are requesting today will not completely resolve the workforce issues our system faces, without it, there will be even more people having to live their lives without the supports they so desperately need.

Unfortunately, DODD's part of the Executive Budget spoke in terms of continuation – in other words, flat funding. Flat funding does nothing to address the workforce crisis in our system. The House also did not add the necessary funding, so on behalf of our struggling members and the people they serve, we now bring our request to the Senate.

OHCA respectfully asks this Committee and the Senate for the following changes to the budget:

- Add a 5% annual increase, starting January 1 of each year, to the Medicaid rates for waiver services, including both adult day and residential. We estimate the cost of this proposal to be \$197 million all funds (\$71 million state share) over the biennium.
- Allow the ICF rate formula to continue working as the legislature intended when it created the formula, without the artificial cap DODD proposed to prevent recognizing cost increases ICF providers sustained. We recommend in the first fiscal year giving providers the greater of the formula rate or their rate as of June 30, 2021. We estimate the cost of this proposal to be \$39 million all funds (\$14 million state share) over the biennium.

This funding would help our members – both waiver providers and ICFs/IID – attract staff by enabling them to pay higher wages. Longer term, we propose a statute establishing a Workforce Crisis Task Force to examine all barriers to employment in the DD field and to find

solutions. These issues go beyond Medicaid reimbursement and require a more comprehensive approach, but what can be done now in the context of the state budget is to provide assistance through increased funding.

We would like to address an additional issue: federal dollars under the American Rescue Plan Act, which are coming in two main buckets. One is 10% increased FMAP for home and community-based services (HCBS) between April 1, 2021, and March 30, 2022. This money is coming to the state automatically and must be used for HCBS enhancement. The second is state and local government funding for coronavirus relief, some of which is earmarked for certain purposes. Treasury Department guidance and regulations on this fund came out earlier this week.

This federal funding is one-time money that should not be used in the state budget to address ongoing Medicaid reimbursement rates. It should be appropriated separately, outside the budget, for short-term COVID-19 recovery needs, including needs of DD service providers. OHCA looks forward to working with the legislature to identify COVID-19 related needs within the DD system when that time comes.

Lastly, we have a comment on the House's incorporation of House Bill 179 into the budget. This legislation would require licensure of home health agencies by the Department of Health. While we are supportive of home health licensure in general, we believe both ICFs and providers certified by DODD to deliver waiver services to people with disabilities should be exempted. There is no reason to duplicate the existing regulation of these providers by layering on additional licensing requirements under a different agency. We are working with the sponsor of HB 179, the Senate, and other interested parties to try to resolve issues we and others have with this language.

Thank you for your attention. I would be happy to answer any questions from the committee.