



Testimony for Senate Health Committee
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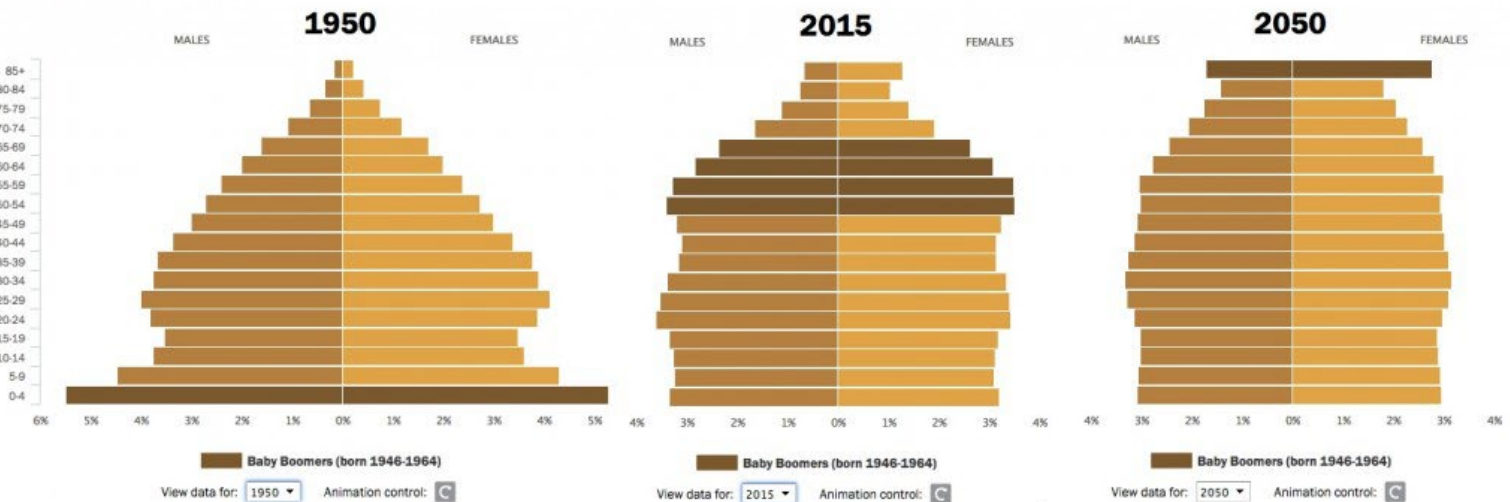
Good morning, Chair Huffman, Vice Chair Johnson, Ranking Member Antani, and members of the Health Committee. It is a pleasure to be here with you this morning to talk about the bright future for growing older in the Buckeye State, and the real, tangible choices you can make this budget season to invest in our futures.

LeadingAge Ohio is an association that represents nearly 400 aging services providers, from affordable senior housing to life plan communities to nursing facilities and assisted living, as well as home and community-based services like adult day services, home care, hospice and Ohio's only PACE program. Our longest-serving member began serving Northwest Ohio the year that Lincoln took office. Our newest members are rising to the challenges of the current housing shortage to make sure older Ohioans have a place to call home. Greater than 70 percent of our members are faith-based. Ninety-eight percent are non-profit organizations. Very few of them provide only one type of care or service; most span the continuum as they adapt to meet the changing needs of older adults in their communities.

We are at the front end of a seismic shift in demographics and this shift underpins the workforce shortage we are experiencing across economic sectors. Our demographic “pyramid” is fast becoming a rectangle:

U.S. Age Pyramid Becomes a Rectangle

U.S. population by age group, 1950-2064



This means that many more Ohioans are reaching their eighth, ninth and tenth decades than ever before. How we reach those ages is of utmost importance—if we enjoy good health, we get years of



additional time—to extend careers, to engage with our families, to reinvest our energy in community through volunteerism. If we have chronic health conditions, however, we may experience a period of disability, requiring the support of the healthcare infrastructure. Too frequently, older Ohioans are meeting elderhood with health needs and when they do, they are finding that we have insufficient numbers of workers to support their needs.

In addition to the demographic reality, there are several other factors unique to aging services that have made our workforce challenges far more dire than other parts of the economy. First, it is impossible to overstate the impact of the pandemic on our workforce. Most of our members are still continually using heightened infection control protocols and will be for the foreseeable future. LeadingAge Ohio holds focus groups with frontline workers across the state and we find that many continue to experience symptoms of PTSD. They describe loving their jobs, but nonetheless feel anxiety and dread, and sometimes physical symptoms such as nausea and sweats before their shifts. Because of this, many of our members are adding on-site counseling for staff.. The stress of the pandemic has contributed to a real retraction in our workforce.

Second, pre-pandemic, aging services providers were just emerging from a decade of flat or near-flat funding of long-term services and supports which left them in a weakened position. In the SFY 2022-2023 budget, we saw increases of over 6 percent to many LTSS services. While important and appreciated, these investments were barely felt; they only partially closed the gap between costs of care and payments. When inflation took off in mid-2021, the growing costs across categories-- wages, food costs, supplies and other expenses—further widened the gap.

Nearly 70 percent of costs of Ohio’s aging services providers are workforce-related. Flat funding has translated into flat wages, flat tax revenue and the erosion of buying power for those working in the caring sector.

While workforce strategies are not limited to wages—our members are busily seeking solutions such as school partnerships, workforce-extending technology and flexible scheduling—wages are an important strategy and one that’s uniquely within the control of this Committee.

The Governor’s budget addressed workforce challenges by investing heavily in home- and community-based services at levels not seen in recent history. The House preserved these investments and doubled-down on some of them, like addressing Ohio’s languishing assisted living waiver and boosted rates across home- and community-based services. We ask the Senate to preserve these investments and consider whether the House’s projected \$18 per hour is sufficiently competitive for today’s jobseekers.

Boost home and community-based services, including home delivered meals

Director Corcoran shared in testimony that leading up to this budget, most stakeholders are needing at least a 30 percent increase in rates, and not infrequently, requests soared above 50 percent. The executive budget responds to this by specific services under Ohio’s home- and community-based waivers, including personal care services rates under PASSPORT and Ohio Home Care Waiver (29.9%), nursing (19.9%), home-delivered meals (22%) and adult day services (7%).



Across waivers and other home- and community-based services, the executive budget sought to establish a \$16 / hour wage, and used calculators to build in overhead such that the rates were sufficient to support this wage. The house raised this to \$17 per hour in SFY 2024 and \$18 per hour in SFY 2025, inching us closer to the \$20 per hour goal set by the Ohio Aging Advocacy Coalition, a network of aging advocates and stakeholders.

While it is true that we have not seen this level of comprehensive investments in our HCBS infrastructure in recent history, we remain skeptical as to whether these investments are sufficient to make these jobs competitive and by extension, ensure access to community-based alternatives to institutional care. That is, will they achieve the desired result of making care work with older Ohioans an attractive and desirable career pathway?

Rework Ohio's assisted living waiver

A hallmark of this budget is the inclusion of an amendment that describes reforms to Ohio's assisted living waiver program that have been proposed for the past three budget cycles. In 2007, Ohio's assisted living waiver provides a cost-effective, community-based alternative to nursing facility care. To be eligible, an individual must first qualify for nursing facility admission according to their clinical care needs and also be able to pay for the room & board component of care. Since its inception, reimbursement for this important waiver has been relatively flat with modest increases only in the past two budget cycles. Over time, providers have either exited the program or actively manage their exposure to it because of the threat it poses to their financial health.

HB33 proposes to:

- Boost the per-diem rate for assisted living waiver to \$130 per day, in line with current costs of care;
- Create two add-on payments:
 - A \$25 per day add-on for memory care that would only be available to those providers that can demonstrate staffing ratios that are 20 percent higher than the general population, and
 - A \$10 per day "critical access" add-on for facilities with greater than 50% of their census in the waiver program. These programs have less ability to cost-shift with higher private pay rates.

It is gratifying to see broad support for a proposal that has been advanced by LeadingAge Ohio, the Ohio Assisted Living Association and the Health Care Association over the past three budget cycles, and we urge you to preserve it.

Healthy aging grants & Title III

Ohio is unique among states in that 74 of our 88 counties have a levy of some sort that supports community-based services to older adults before they are typically eligible for Medicaid services. In fact, the amount that Ohio raises through these levies -- \$218 million annually—exceeds the amount that all other states (14 total) generate combined. The proposed "Healthy Aging" grants draw on ARPA funds dedicated to home- and community-based services to build upon this county network, expand it to



those counties that don't yet have supports and help to make the county levy system more equitable from one region to another.

While highly variable, Ohio's levies overwhelmingly support pre-Medicaid services and supports that help older Ohioans remain in their communities, healthier, for longer periods of time. These include home-delivered and congregate meals, respite services, adult day services, and other special programming. The healthy aging grants would rely on evidence-based interventions to support health in late-life and forestall functional decline that will eventually lead to medical intervention. Certain provider types, including adult day services, receive more funding through their local levies and Senior Community Services block grant ("Title III") than they do through state-administered waivers. LeadingAge Ohio also supports the additional funding channeled into Ohio's Community Senior Services line item, which funds similar community supports.

Address wage stagnation

As mentioned before, one contributor to this biennium's dramatic need for investments is the decade of the Great Recession, when revenues languished and reimbursement saw flat or in some cases, negative growth. During this same period wages and costs continued to climb, and we have seen a significant toll taken on our aging infrastructure. Home care providers have pivoted away from Medicaid service, opting to only serve individuals in the Medicare program or those that can pay privately. Care workers have left the field in search of more financially rewarding employment. In some cases, we've seen closures of healthcare providers and displacement of the individuals they serve.

One lesson from the past decade is that we need to be taking a look at rate adequacy on a more-frequent basis. A very simple step would be to implement a wage adjustment to the rate, set to an inflation factor like the consumer price index. A more complicated solution would be to build something akin to what we have in nursing facilities where costs are reported annually, providing the state with valuable information on payment adequacy. LeadingAge Ohio supports smaller, incremental changes to provider reimbursement across assisted living and other home- and community-based services.

This is also a necessary step for Ohio's Program for All-inclusive Care for the Elderly program, which is a managed care model that funds all of the services we've described, as well as hospital care, transportation, outpatient services and nursing facility care. PACE relies on Medicaid rates to set the payments it gives to network partners, so it is critical that when we see significant adjustments in provider rates as we have this year, that we also recalibrate the PACE per-member per-month payments.

Conclusion

I began by sharing longevity projections about what is possible for Ohio's future, but I will end with sharing the uncomfortable reality we are living with today. Today in Ohio, there is a 23-year spread between the longest-lived census tract and the shortest-lived census tract. What is more startling still is that these two communities are only two miles apart from one another, but in terms of economic access, opportunity and infrastructure, they couldn't be farther apart. LeadingAge Ohio represents organizations that serve in each of these communities.



While it is a thought experiment to consider how to position Ohio for a future where each of us have two or three “bonus” decades, the reality is that the promise of longer, healthier lives is only within the grasp of certain Ohioans. Today, in some parts of Ohio we’re squandering decades of human potential, per person. The great news is that the budget you are considering today contains solid strategies improve our ability to live well into our 80s, 90s and beyond. We humbly ask for your support of each of these strategies.

Thank you for the opportunity to share our thoughts, and I am happy to respond to any questions.