

HB 33 Interested Party Testimony
Melissa Moore, Owner & Operator, Community Caregivers, Cuyahoga Falls
Kim King, CEO, Home Care Network, Inc., Dayton
Senate Medicaid Committee
Chairman Mark Romanchuk
May 11, 2023

Chairman Romanchuk, Vice Chairman Wilson, Ranking Member Ingram, and members of the Senate Committee, my name is Melissa Moore, and I am the owner and operator of Community Caregivers of Cuyahoga Falls. With me today is Kim King, CEO of Home Care Network, Inc, who joins me in offering this Interested Party Testimony on Substitute HB33. We stand here today on behalf of those Medicaid patients, their parents, their children, and others that cannot secure in-home care for themselves or their family.

You have important questions before you: how do you both ensure the economic well-being of our state *and* protect access to critical home health services for disadvantaged and vulnerable Ohioans? Regarding Medicaid services, the largest expenditure of the state budget, I propose that we work smarter, not harder. To me, the answer lies in appropriate placement of patients, by not overspending on unneeded, costlier services, and expanding access to HCBSs.

We, along with the *Ohio Council for Home Care and Hospice (OCHCH)* and many other advocates have been laser-focused on spotlighting the need to reimburse home health agencies at a rate that enables both single-site, family-owned agencies like mine and also larger health systems to create competitive employment opportunities for direct care workers so that we can continue to care for aging, disabled and under-served Ohioans. Without adequate providers hiring direct care workers, Ohioans will go without care.

Today alone, roughly 5,000 eligible Ohioans go without physician-approved home-based care under Ohio Medicaid. While we are grateful that the *Department of Medicaid (ODM) and Department of Aging (ODA)*, and the *House of Representatives*, have heard us and taken steps to advance some increases, we are asking you today to help by doing what is needed to adjust these rates further.

I need to first explain that Medicaid providers face *all* the same regulatory requirements and *more* than Medicare providers. Under the ODM calculator, it will be impossible to operate our agencies at 18% of the bill rate. For both nurses and home health aides, the mandated, non-compensable training, supervisory oversight, continuing education, EVV implementation and monitoring, recruiting costs, background checks, drug screens, employment, driver and insurance verification, and many, many other factors leaving agency providers far into the red.

Under today's reimbursement rates if an agency employs a full-time RN for Medicaid nursing visits only at an annual salary of \$62,400 -- or approximately \$30/hour -- it would take that nurse *1,241 visits* to break even on their annual salary. By stark contrast, an agency that focuses on Medicare-only business would need to complete about *416* to make that same salary.

And consider this: In contrast to entry-level positions like fast food and retail, we are only able to pay home health aides between \$10 and \$12 an hour, far less than the \$15-\$17 an hour of our entry-level competition, and even lower than the \$20+ dollars an hour at larger organizations like Amazon.

Especially following the pandemic, home health care is one of the fastest growing settings in all the healthcare industry, and our partners out there, the skilled nursing facilities and hospitals to which we are now being compared to on the same or similar quality measures, are taking note. You, as we have, will continue to see them developing programs like hospital at home and skilled nursing at home, because they, too, recognize that home is truly where the heart is.

If we can pay a competitive wage, our agencies are confident we can continue to serve and grow our patient populations. We join with the OCHCH and many others in supporting a formula in which 60% of the total billable rate goes directly to employees, leaving 40% to our agencies to fulfill all previously mentioned requirements, in addition to keeping the lights on and the doors open.

I have attached some slides to our testimony showing more details on our rate request and costs of care.

The demand for home and community based services (HCBS) has never been higher and we are rising to the occasion in terms of care innovation. We are eager to share with you the role of HCBSs and all our abilities to serve this population, but the conversation quite frankly cannot begin without a meaningful Medicaid reimbursement overhaul. As such, we are proposing a rate setting methodology in which rebasing occurs regularly. Home community-based service providers must be guaranteed stability so that we can continue to innovate and care for Ohio's aging population.

My testimony is informed by years of watching this issue unfold. Since 1998 HCBS have seen one 6% increase in reimbursement rates over those 25 years but have borne the cost of substantial regulatory requirement increases. As a result, many of our colleagues in home care who previously provided for Medicaid recipients have shut their doors, or by necessity focused on alternative payor sources to keep their businesses operating.

As many of you are familiar with rebasing specific to our colleagues in care operating skilled nursing facilities, we propose that by implementing a rebasing model, it would ensure continuous oversight of rate setting and assurance that home and community-based services will not suffer so dire a situation like today.

By implementing a rebasing model and rule, it will allow for stabilization of the operations of HCBS providers in the long term. Our language is simple, and it supports agencies by making them responsible for cost reporting to the ODM, as is currently done under the federal Medicare program. This will ensure that we as providers maintain transparency into the care that we are providing as well as the cost of providing that care.

We believe that our requested rate increases, coupled with a standardized program to provide increases every few years, will not only foster stabilization of the market but will also attract new agencies and bring back agencies that have left the Medicaid program as a result of years of stagnation.

Chairman Romanchuk and members of the Senate Health Committee, thank you for allowing us to testify today. We appreciate your earnest interest in improving the care outlook for the most vulnerable Ohioans. We would be happy to answer any questions you may have.