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Written Testimony on House Bill 33

Senate Medicaid Committee

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AARP Ohio

Good morning Chairman Romanchuk, Vice Chair Wilson, Ranking Member Ingram and distinguished members of the Senate Medicaid Committee. My name is Holly Holtzen and I serve as the State Director of the Ohio office of AARP. As you are aware, AARP, with 1.5 million members in Ohio, is a nonpartisan, nonprofit, nationwide organization that helps empower people to choose how they live as they age, strengthens communities, and fights for the issues that matter most to families, such as healthcare, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

AARP has been a strong voice for consumers in nursing homes and their caregivers highlighting the need for transparency and accountability of the industry. A recent survey of Ohioans 45 and over found that 74% of the respondents want improvements to Ohio's long-term care services.¹ With nearly 1 in 4 COVID-19 deaths in Ohio from nursing homes residents and staff, the pandemic demonstrated the critical need for transparency and accountability of industry.² In 2022 alone, nursing homes were awarded hundreds of millions of dollars of state funding with few guardrails to ensure the additional resources would, directly, improve patient care. While we do not dispute the funding increases, we assert that the industry should be held accountable to the resources it receives and provide transparency to demonstrate that taxpayer dollars are being used to improve patient care.

Today we offer the following recommendations to ensure nursing home funding is directed to improve patient care:

- Establish a direct care payment ratio requirement that at least 90% of all nursing home revenue must be spent on direct care to residents. All Ohio licensed nursing homes must be required to provide annual, audited financial statements to demonstrate the direct care payment ratio. Transparency into true operating costs of Ohio nursing homes is essential for legislators, regulators, residents and family caregivers, and all other stakeholders

¹ AARP Research Vital Voices <https://doi.org/10.26419/res.00351.250>

² [COVID-19 Nursing Home Resident and Staff Deaths: AARP Nursing Home Dashboard. https://www.aarp.org/ppi/issues/caregiving/info-2020/nursing-home-covid-states.html](https://www.aarp.org/ppi/issues/caregiving/info-2020/nursing-home-covid-states.html)

including advocates. Ohio should enhance cost reporting rules and systems to require nursing homes demonstrate how all revenues are being spent through fully audited, consolidated cost reports and provide financial statements that include the parent organization on down to the nursing home, including all related parties. The consolidated financial statements would facilitate greater transparency into the true operating costs, industry profit-margins, and percentage of dollars spent on direct resident care. Other states have adopted and are implementing similar direct care payment ratio requirements.

- **Increased wages, better job quality, and additional education and training opportunities are needed to strengthen the direct care workforce.** Much has been shared about the need to increase wages for direct care employees. While we agree this is a critical issue that needs to be addressed, we contend it is only one part of building a sufficient, stable, and well-trained long-term care direct care workforce. Ohio must address and improve three aspects of direct care work, simultaneously. These areas are compensation (i.e., wages and benefits), education and training, and job satisfaction. Addressing only one or two of these three aspects will not produce the strong and lasting results we need to solve the growing shortage of direct care workers. Ohio's direct care workers provide important support to our state's most vulnerable citizens. They deserve an integrated approach that includes appropriate compensation and good jobs, including livable wages, health insurance, paid leave, consistent assignment, full-time hours (where desired), flexible and portable training, advancement opportunities, and job improvements that provide opportunities to be valued as a respected member of the care team, including supportive supervisions and real input into care planning, management decisions, and quality improvement.

AARP Ohio looks forward to working with you to advance policies that allow Ohioans to age in place. We must ensure our resources are focused on supporting older Ohioans so they can thrive. Thank you for the opportunity to offer testimony on House Bill 33.