HB 96 Interested Party Testimony
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Ohio House Finance Committee
Chair Brian Stewart
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Chairman Stewart, Vice Chair Dovilla, Ranking member Sweeney and members of the Ohio House Finance Committee, thank you for the opportunity to testify today on the critical need for workforce development and Medicaid rate investment in home and community-based services (HCBS).

Workforce Development & Nursing Rate Investment

Ohio is facing a severe nursing shortage, particularly in HCBS, where demand continues to grow due to an aging population and the increasing number of Medicaid waiver recipients, PASSPORT beneficiaries, and individuals with complex medical needs. While workforce development efforts often focus on hospitals and long-term care facilities, we must not overlook the essential role of home health nurses in ensuring Ohioans receive care where they most want to be—their homes.

The **Center for Community-Based Care Initiative** is a statewide strategy designed to integrate home health into nursing education, ensuring that students are exposed to the autonomy, flexibility, and personal fulfillment of providing one-on-one care in the home. We are seeking a **$5 million investment—$1 million per region**—to support:

- **LPN, RN, and BSN scholarships** to help students complete their junior and senior years of nursing programs, full LPN programs, or LPN-to-RN bridge programs. This investment would support approximately **125 nursing students statewide each year**.
- **Internships and externships** with home care agencies, ensuring students receive hands-on experience in HCBS settings.
- **Mentorship programs**, where agencies would receive up to **$40,000 per new graduate** for the first six months post-graduation to support on-the-job training, clinical decision-making development, and professional growth.
- **Increased workforce capacity**, with each trained nurse able to case manage **30 patients at a time**, cycling through an average of **six patient groups per year**—ultimately impacting over **22,000 Ohioans annually** in need of home care services.

Medicaid Rate Increases

For Ohio's home and community-based care system to function effectively, providers must be able to plan ahead. Staffing decisions, compensation reviews, and resource allocation all require financial stability and predictability. However, the current Medicaid reimbursement structure undermines this ability in several key ways:

- **Planning Requires Rate Certainty:** Providers need to know what they will be paid now and in the future to make informed business decisions. Without this, workforce retention and care quality suffer.
- **Medicaid Pays the Least:** Medicaid reimbursement rates remain lower than any other payer we work with, making it increasingly difficult to sustain services.
- **Cash Flow and Payment Systems Have Become Unreliable:** Historically, providers could count on consistent and timely payment of billed services, allowing them to plan cash flow week to week. However, changes such as **Electronic Visit Verification (EVV)** and the transition from the **Medicaid Information Technology System (MITS) to the Provider Network Module and Comprehensive Payment System** have added administrative burdens and increased costs for providers.

- **Therapy and Nursing Services Are Still Stuck in the 1990s:** While direct care aide services received a rate increase in 2024, therapy and nursing services continue to operate at rates that were established in the late 1990s—over two decades ago. Without adjustments, we risk losing critical healthcare professionals from this sector.

The financial sustainability of Ohio's home care system depends on **adequate and predictable Medicaid reimbursement**. I urge the committee to prioritize rate adjustments that reflect the **true cost of care**.

Self-Directed Care

I strongly support Ohio's goal of expanding **consumer self-directed care**. This model allows individuals to take charge of their healthcare by identifying their own needs, goals, strengths, abilities, and support systems to create a personal plan that enables them to live independently at home or in the community. Done correctly, self-directed care:

- **Lowers the cost of care**
- **Reduces unmet service needs**
- **Gives families their preferred care option**
- **Expands the workforce by including non-traditional workers**
- **Improves overall care quality and outcomes**
- **Empowers caregivers and strengthens the healthcare workforce**

However, in practice, the **implementation of self-directed care** in Ohio's PASSPORT regions has failed to align with these goals. Instead, we are seeing:

- The **hiring of aides from traditional provider agencies**, rather than introducing new workforce participants.
- The **shifting of patients from the traditional agency model to the self-directed model** without adding capacity to the system.
- **Higher costs**—Ohio is now paying **$2.04 per hour more** for self-directed services than for the same care provided by agencies.
- An **uneven playing field**, where self-directed care administrators **control referrals, dictate service hours, adjudicate claims, and receive additional funds from consumers for administrative services**.

Conclusion

A strong healthcare system requires **multiple models of care delivery**. Both **self-directed and agency-based home care** play vital roles in serving Ohioans who wish to remain in their homes. However, if self-directed care is to succeed, it must not be used as a vehicle to **bypass agency care at an inflated cost**. Instead, we should ensure that **both models are properly funded and implemented** in ways that genuinely **expand access and improve outcomes**.

I urge this committee to take a **balanced approach**—ensuring **fair Medicaid reimbursement for all providers, addressing systemic payment challenges, and implementing self-directed care in a way that strengthens rather than undermines Ohio's home care system**.

Thank you for your time, and I welcome any questions you may have.