

**HB 96 Interested Party Testimony**  
**Mike Vallee, CEO**  
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**Ohio House Medicaid Committee**  
**Chair Jennifer Gross**  
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Chair Gross, Vice Chair Barhorst, Ranking Member Baker, and Members of the Ohio House Medicaid Committee, thank you for the opportunity to testify today.

Thank you for the opportunity to testify today on issues impacting home and community-based services in Ohio. My name is Mike Vallee, and I have been deeply involved in the home care industry, advocating for policies that support both providers and the individuals we serve. Today, I would like to highlight two critical issues: Medicaid rate increases and the implementation of self-directed care.

## **1. 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.

## **2. 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.