



2233 North Bank Drive  
Columbus, OH 43220 P  
(614) 444-2882  
LeadingAgeOhio.org

**Testimony of Susan Wallace**  
**President / CEO, LeadingAge Ohio**  
**House Medicaid Committee**

**March 4, 2025**

Good afternoon, Chair Gross, Vice Chair Barhorst, Ranking member Baker and members of the Medicaid Committee. We appreciate the opportunity to share our thoughts on the operating budget for SFY 2026-2027, and in particular for today, those parts of it that will be administered by the Ohio Department of Medicaid.

LeadingAge Ohio is an association representing nearly 400 members that serve older Ohioans across the buckeye state. In a given year, we employ roughly 35,000 and serve nearly 400,000 older Ohioans. Our members include affordable and market rate senior housing, life plan communities, nursing homes, assisted Living, home health, hospice, and palliative care, as well as adult day services. LeadingAge Ohio also supports the PACE Association of Ohio, that represents the four organizations standing up the Program for All-inclusive Care for the Elderly across the state of Ohio.

What differentiates our members from their counterparts is that they are guided by mission and values. Over 90% are not-for-profits, over 70% are founded by or tethered to faith-based organizations. They are governed by boards made up of individuals from the communities they serve. Many are the former homes for orphan children, widow's homes or the first hospices to be founded in the late 1970's.

Two weeks ago I testified before the Children & Human Services Committee on areas of the budget that we support that are managed by or could be led by the Department of Aging: namely, a workforce development program for frontline caregivers and the senior services block grant.

Today I will focus on those portions that are germane to this committee: 1. The Personal Needs Allowance (PNA) for residents in long-term care; 2. Funding for home- and community-based services, 3. Nursing home reimbursement, 4. Hospice payments and 5. The Program for All-inclusive Care for the Elderly (PACE).

## **Personal Needs Allowance**

LeadingAge Ohio supports the Administration's proposal to raise the personal needs allowance (PNA) from \$50 to \$100 per month. The PNA is essential to preserving dignity and enhancing quality of life for long-term care residents, whether in nursing homes or assisted living, by allowing them to receive services like haircuts and styles, choose clothing that suits their preferences, and cover other incidentals like having a cell phone plan or other items to bring joy to their day-to-day lives. Ohio's PNA has not been increased in nearly 10 years, and then it was only increased from \$40 to \$50 per month. This is a welcome change that will directly impact residents of senior living communities.

## **Home and Community-based Services (HCBS)**

In the last biennial budget, the state of Ohio made significant investments to shore up a weakened network of long-term services and supports providers. The increases were dramatic, a "feast" period to rectify years of flat-funding "famine" in aging services. The recovery is playing out in more providers engaging in the programs and more individuals being served.

Our proposal does three things: First, it creates a mechanism by which the Department of Aging will evaluate the costs of delivering care to inform future rate setting for assisted living, home health care, personal care and adult day services. This evaluation would provide answers to the questions that legislators have asked in the past: How much have costs risen? What portion of the legislature's investments make their way into workers' pockets? And most importantly, do the older adults in our communities have an easier time finding care, because of the investments you make?

Second, for that span of time while the evaluation is being developed, it allows funding to keep pace with costs according to an inflationary factor.

And finally, it creates a payment for assisted living waiver that mirrors the bed-hold policy in nursing homes, to ensure that if an individual experiences a hospitalization or other temporary event that takes them away from the assisted living community, their room—their home—will be held rather than relinquished.

We have seen a steady increases in older Ohioans served in HCBS waivers the past two years, but we have not yet recovered to pre-pandemic levels of access despite larger numbers of older Ohioans than ever before. Many of our members remain reticent to re-engage with Ohio's waiver programs because of the threat that underfunding poses to their missions. They are not yet sure that history will not repeat itself, and the executive budget's flat-funding certainly seems to reinforce rather than allay their concerns.

We encourage you to add to the Administration's proposed investments in order to continue rebuilding options for older Ohioans.

## **Nursing Home Reimbursement**

As you likely know, the payment methods for Ohio nursing homes are spelled out in the Ohio Revised Code. This means that any changes must come by way of the biennial budget.

Ohio has made significant strides in recent years in delivering more of its nursing home reimbursement by way of quality incentives, which has significantly improved performance over a number of measures. In our last budget, Ohio expanded the number of measures on which providers were incentivized, including metrics on antipsychotic use, staffing and occupancy. These changes are all unchanged in the executive budget.

We are advocating for three specific changes to nursing home reimbursement, all building on previous work by the legislature.

First, the private room payment implemented during the last budget has been successful. It led to a reduction of beds in CY 2023, as operators converted shared rooms into spaces affording privacy and enhanced dignity for residents. Private rooms should become a permanent feature of nursing home reimbursement, which means removing the current structure of capping funding annually.

Second, there is a federally-driven change of how we calculate a nursing home's reimbursement based on the acuity of its residents. Individuals who have higher care needs require more nurses, aides and other staff, so the portion of reimbursement that pays for direct care is adjusted by a case mix indicator. The federal government changed the way it calculates this factor for its Medicare population in 2020, and now it is time for state Medicaid programs to do the same. We support a calculation that would include nursing needs of residents, but also speech and language therapy and ancillary services in calculating this adjustment. In particular, speech and language therapy is often an indicator of individuals living with dementia that require a higher level of feeding assistance, behavioral management and other staff support.

Finally, the capital portion of the reimbursement formula is long overdue for being restructured. It has not been reset to updated cost data (rebased) in over a decade and offers neither incentive nor reward for providers to reinvest in their buildings and physical spaces. We support using the upcoming biennium to develop a new proposal to pay for the quality of the environment of care, which includes an appraisal of the building and takes into consideration other factors that may enhance quality of life for residents.

## **Hospice Care in Nursing Homes**

Hospice programs are required by federal law to bill Medicaid for the nursing home room and board for residents in their care, and then "pass through" these payments to the nursing home. Under the current arrangement, Ohio only pays 95% of the cost of nursing facility care, and the hospice pays their nursing home partner 100%, absorbing the difference as a financial loss. LeadingAge Ohio supports a proposal that has been discussed over decades that would finally

rectify this, requiring the state of Ohio to pay hospices the full cost of room & board of their patients.

### **Program for All-inclusive Care for the Elderly (PACE)**

By the end of this year, Ohio will have expanded its PACE program from two counties to 10, with one in each of Ohio's most populous counties (Hamilton, Franklin, Cuyahoga, Montgomery, Lucas, Summit, Mahoning) as well as a few rural communities (Lorain, Ashtabula, Trumbull). As I mentioned before, LeadingAge Ohio is proud to continue our support for expanding PACE in Ohio through its management of the PACE Association of Ohio. PAO has two priorities for this budget process, neither of which have any funding requests attached to them!

- First, to allow PACE organizations to begin providing services to enrollees whose Medicaid applications are pending. Currently, PACE enrollment can take 6 to 8 weeks because of the time it takes to gather appropriate information to determine Medicaid eligibility. It is not uncommon for individuals who are waiting for approval to have a health event that leads to hospitalization and / or long-term care stay. Our PACE organizations would like to be able to provide services beginning on the first of the month following the application. If the Medicaid application is not ultimately approved, they would not be paid for those services and would adhere to a standard 30-day notice period for disenrollment.
- Require the Administration to issue an RFP for the next round of PACE expansion no later than July 1, 2026. The state has made strides in expanding infrastructure to support PACE expansion, and the legislature has been overwhelmingly supportive of this program. While the urban counties will have PACE programs, many adjacent suburban or rural areas could benefit from the care model.

We believe these changes to the executive budget would ensure that all Ohioans have dignity, choice and access to the supports they need as they age. We appreciate the opportunity to share our thoughts and welcome any questions you may have.