

Testimony of Patrick Schwartz

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Ohio Senate Finance Committee

HB 96 – State Operating Budget

May 27, 2025

Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, and members of the Finance Committee,

Thank you for the opportunity to testify today. My name is Patrick Schwartz, and I serve as the Vice President for Government Affairs at High Bridge Consulting. Through my work at High Bridge and previously at LeadingAge Ohio, I have had the privilege of advocating for PACE providers and those they serve since 2019.

The Program for All-Inclusive Care for the Elderly, or PACE, is a nationally recognized model that allows frail, older adults to age in place while receiving comprehensive medical and social services—often as an alternative to nursing home care. PACE delivers high-quality, person-centered care to Ohio’s most vulnerable seniors, which leads to fewer hospital and nursing home stays, high levels of participant satisfaction and re-enrollment, and large cost savings to the State of Ohio’s Medicaid program. PACE serves as both an insurer and care provider for its participants.

PACE was expanded in 2022 through House Bill 45, which led to new providers being selected through a competitive RFP process in addition to the currently active and thriving Cuyahoga County PACE program operated by McGregor PACE. High Bridge represents the PACE Association of Ohio (PAO), which launched last year with membership made up of Ohio PACE providers from all corners of the state.

Today, I respectfully urge you to consider three important changes to HB 96 that will support timely access to care and ensure long-term program growth:

1. Timely Enrollment

We were very grateful that the House amended HB 96 to allow potential PACE participants to begin receiving all services after the PACE organization completes its initial assessment. Right now, it can take anywhere from 6-8 weeks to begin receiving PACE services because of the time it takes for a Medicaid application to be approved. For an individual with nursing home level of care needs, this is too long. The language is such that providers could take on these potential participants at the organization’s own financial risk while Medicaid eligibility determinations are pending. This policy is cost-neutral to the state, will reduce service interruptions, and will reduce the use of more costly care options. We have worked

with the Ohio Department of Aging on some technical changes to the House language which we ask for your consideration today.

2. Future Expansion of PACE

We were also grateful that the House included an amendment to require the issuance of a new Request for Proposals (RFP) for continued PACE expansion no later than July 1, 2026. The current demand for PACE services is not limited to the 10 Ohio counties who either have or will have PACE soon. A new round of expansion gives older adults in other Ohio counties a new home-based care option that saves both them and the state money. The only change we are seeking to this House-included amendment is shifting the language from permanent to temporary law, which also comes at the request of the Department of Aging.

3. Rate Parity/Adjustments

Lastly, there is a very concerning gap between what new and existing PACE providers in Ohio will be paid through Medicaid. The Ohio Department of Medicaid contracts with actuaries each year to construct the PACE rate, both for the Medicaid only and dually eligible populations it serves. For the current fiscal year ending June 30, ODM recommended distinct rates for “existing sites,” which at the time of its release was only Cuyahoga County, and for “new sites.” The “new site” rate is 20% less than existing to serve dual eligible participants. This lower rate for new PACE sites is driven by an assumption by Medicaid that new sites will have a lower nursing facility utilization rate upon launching. There is **no precedent for this kind of rate structure in any other PACE-utilizing state, nor is this strategy grounded in the reality of the population PACE services.**

A lower rate for new sites serving the same population group as existing sites is not suggested by the Centers for Medicare & Medicaid Services rate-setting guidance released last year. In fact, there is no known precedent for a lower rate for new sites in other states, nor are there any states who use one nursing home utilization rate for more mature programs and a lower one for newer programs. National data show that new PACE programs operate at a loss for the first couple of years of operation, and the CMS rate-setting guidance actually offers that new sites could be reimbursed at a higher rate.

PAO is concerned that artificially reducing rates for new PACE sites will undermine growth in PACE, curtailing our members’ opportunity to offer the state of Ohio cost savings and higher quality care for older adults in need. Rates should reflect the entire PACE model of care, as PACE comes at a major cost savings to the state and will continue to do so even at a higher rate of reimbursement. PAO and its members, which include McGregor PACE, PACE of Cincinnati, Buckeye PACE, and BoldAge PACE, respectfully request that the Ohio Senate take the lead on fixing this issue via an amendment to HB 96 which clarifies that new sites should not be penalized simply because they are new sites.

Thank you for your time and consideration. I would be pleased to answer any questions.