The Academy of Senior Health Sciences Inc.

Written Testimony of The Academy of Senior Health Sciences, Inc. for the Senate Finance Committee regarding Am. Sub. H.B. 96

Submitted 04 June 2025 by Chris Murray, CEO, The Academy of Senior Health Sciences, Inc.

Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, members of the Senate Finance Committee, The Academy of Senior Health Sciences, Inc. ("The Academy") is comprised of facility-based providers of long-term services and supports. We are an organization focused on promoting and advocating for policies that improve the quality of life and quality of care for individuals receiving facility-based long-term care services and supports and the well-being of the staff and businesses that provide those services. This written testimony on Am. Sub. H.B. 96 will address nursing home policy. More specifically, it will address acuity adjustment to rates, private room payment, capital reimbursement reform, quality provider reform, and nursing home use of technology.

Acuity Adjustment to Rates

Nursing home Medicaid direct care rates are adjusted based on the average acuity level of the residents at given times. The purpose of this adjustment is to pay a provider a higher rate for a resident that requires more resources, and vice-versa. ***Therefore, the case-mix score should reflect resource use as much as possible***. Unfortunately, the current mechanism used to adjust rates (RUGs) contained incentives for nursing home providers to provide unnecessary services to increase the acuity adjustment upward, and thus rates. This occurred so much that CMS has since changed the acuity adjustment from RUGs to PDPM.

When reviewing the different components of PDPM, ***the nursing component is the one that best reflects the services being provided to long-term residents in nursing homes and is easiest for providers to implement.*** Furthermore, adding additional components such as the Speech Language Pathology or Non-Therapy Ancillaries will provide greater opportunities for providers to manipulate the case-mix and rates with little to no benefit of reflecting resident acuity or associated direct care costs. ***We support Ohio using only the nursing component of PDPM as found in the current version of HB 96.***

Private Room Payment

For many nursing home long-stay residents, the room they occupy is the last place they will live. These people deserve to have the peace and dignity of their own room. Furthermore, private rooms also reduce the spread of infectious disease, allow care to be provided in privacy, and family to visit in the room. I appreciate the committee's recent changes to maintain the current expenditure limit on private room payments. However, we continue to have concerns the funding limit may be reached mid-year and create a negative situation for the resident and uncertainty of payment for the provider. I recommend developing a policy that creates certainty for the nursing home providers so they can properly plan, provides certainty for the residents as they do not have to be concerned about losing the benefit of the private room, and allows as many medicaid recipients as possible to benefit from having a private room. This can include caping the rooms instead of dollars and/or using quality metrics to limit eligible rooms.

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Capital Reimbursement Reform

The current pricing system pays the same capital reimbursement amount to a provider in a peer group regardless of the characteristics of the facility. ***Yet the environment a person lives in directly impacts their quality of life.*** The state currently pays for capital that is beyond its depreciated life. We recommend removing that payment for older facilities and moving the money saved into the quality component of the rate. We also propose a new payment mechanism for capital that is based on the features of the physical space that improves the quality of life and care of the residents. This new payment would be determined by the department with stakeholder input.

Quality Provider Reform

There continues to be concern over poor quality nursing home operators entering the state. These operators are more interested in profits than providing high quality care. We propose creating a tiered system where higher performing operators get benefits related to a change of operator. We also propose building upon the earlier capital reform by removing disincentives for providers to build new facilities by ensuring the initial rate accounts for the lack of historical data. It also targets the new facilities in counties that currently have facilities that are more than forty years old.

Staffing and Technology

Finding staff continues to be a struggle for nursing home providers. Technology that allows for more efficient use of nursing home staff while also improving the quality of life and quality of care of the residents can be of great help. Unfortunately, there is little to no incentive for nursing home providers to invest in technology. We recommend that the General Assembly consider using remaining Medicaid funds in SFY26 to permit ODM to invest in technology in nursing homes. The technology will allow workers to be more efficient, create better outcomes for residents, help alleviate the staffing shortage and increase the quality of care.

Thank you for the opportunity to submit written testimony and we will be happy to address any questions or comments after the oral testimony.