

**Testimony to the Ohio Senate Medicaid Committee**  
**Craig Worland, Chief Operating Officer**  
**One Senior Care (Buckeye PACE)**  
**HB 96**  
**May 6, 2025**

Chair Romanchuk, Vice Chair Brenner, Ranking Member Liston, and members of the Senate Medicaid Committee:

Thank you for the opportunity to speak with you today. My name is Craig Worland and I'm the interim Chief Executive Officer and Chief Operating Officer of One Senior Care, a provider of the Program of All-Inclusive Care for the Elderly, or PACE, here in Ohio. One Senior Care was selected through the state's competitive RFP process, which was launched through the passage of House Bill 45 in 2022, to provide PACE services in Trumbull, Ashtabula, and Mahoning Counties. We are expecting to open 3 centers simultaneously on August 1.

PACE is a national program that helps seniors age in their homes. I'm responsible for the execution of our business strategy and our mission. We make a promise to every senior that we serve to keep them healthy, happy, and living safely in their homes for as long as possible, while also creating an environment that ensures our amazing staff, who are dedicated to the well-being of our participants, are supported and have fulfilling and rewarding careers.

I'm here today to urge this committee and the Ohio Department of Medicaid to reconsider a critical aspect of PACE rate-setting that puts the program, and the seniors we serve, at serious risk. As an operator of 10 PACE programs across the country, I want to be clear: the rates currently proposed for Ohio's new PACE counties are dangerously low. They are 20% below the existing rate in Cuyahoga County, 22% lower than the rate across the border in Pennsylvania, and rank among the bottom five PACE rates in the entire country. At these levels, the success of PACE expansion in Ohio, is at serious risk. I am confident that ODM, the legislators, and PACE providers and advocates all share a common goal: to make PACE a successful, sustainable option for the most vulnerable seniors in our state. But these good intentions need to be matched with rates that make quality care possible.

The current rate structure was not published until after PACE providers, including One Senior Care, had already been awarded markets, built centers, and submitted implementation plans. One Senior Care applied to serve in Ohio on good faith that the rates for McGregor PACE in Cuyahoga County would serve as a framework for new sites serving the same population in other parts of the state. This assumption formed the basis of every pro forma submitted to the state. That is why One Senior Care made the decision to open three centers simultaneously, to serve more Ohioans in need, faster. When the new rate was released at 20% below our assumptions, it shifted our financial outlook drastically. We expected to absorb losses in the first two years. But under the new rate, we are now projecting losses through years four or five.

That is simply not sustainable. Yes, we received ARPA funds, but those were earmarked for capital investments in starting up new programs, including the partial funding of the transformation of

three abandoned Rite Aids into vibrant, state-of-the-art senior care centers. ARPA did not, and was never intended to, offset long-term operating deficits.

We are not aware of any state that has intentionally set lower rates for newly approved PACE counties. In fact, we've seen the opposite. Other states, recognizing the high startup costs and early operating losses that accompany new PACE programs, have actually increased reimbursement for new markets to help them reach sustainability faster. Ohio's approach of paying less for new counties sets a precedent that could deter future expansion efforts. It penalizes innovation and growth at the very moment these communities are gaining access to high-quality care for the first time.

The irony here is that PACE saves the state money. PACE is not just another long-term care option, it's a nationally proven, person-centered, cost-effective alternative to institutionalization. We are paid a capitated rate to manage all care needs for our participants and are financially incentivized to keep them out of costly acute and institutional settings. Without PACE, many of these individuals would already be in nursing homes or cycling in and out of hospitals, at far greater expense to ODM. PACE can and will save Ohio millions of dollars each year. Underfunding new PACE sites threatens to erode a program specifically designed to reduce Medicaid spending while improving outcomes for seniors.

There are two practical, fiscally responsible steps that ODM and the state can take to correct this:

1. Create rate parity with Cuyahoga County. The difference we're talking about is roughly \$10,000 per participant per year. With an expected enrollment of 200–400 participants across all of the new programs in Ohio next year, this equates to a \$2–4 million budget impact. That's a modest investment to ensure access for some of the most medically complex and vulnerable seniors in Ohio, many of whom are among the 5% of Medicaid beneficiaries who account for 50% of total costs. **Even with all 10 counties operating under a rate similar to the current Cuyahoga County rate, the state will save millions of dollars each year through this greater utilization of the PACE program.**
2. Adjust the assumed nursing home admission rate. It is important to know that every single PACE participant is already at a nursing home level of care. If the state pegs our reimbursement to an artificially low nursing home utilization rate, it creates a mismatch between our costs and our revenue, putting the entire PACE model at financial risk. The Ohio Department of Medicaid's rate-setting guidance for the current fiscal year is to use a 5% nursing home utilization rate in its rate methodology for new PACE sites, which would encompass nine of Ohio's ten PACE counties. That figure is simply too low. This is well below national benchmarks and our experience operating new centers. Our understanding is that the rate for new counties was set based on projected utilization assumptions developed by actuaries. While actuarial input is valuable and preferred, this lower utilization assumption sets a dangerous precedent for any capitated model, especially one like PACE, whose very purpose is to reduce utilization of higher-cost acute and institutional care.

We believe that basing the rate on expected utilization creates an unreasonable incentive: the more successful a program is at avoiding costly care, the lower its future reimbursement may become. That is not a sustainable or logical framework for value-based care. A better approach would be to establish a single, population-based rate that can be applied across all counties in Ohio. This ensures fairness, predictability, and long-term viability for PACE in Ohio.

To be clear, this is not a request for profitability, it is a plea for sustainability. Even under a corrected rate, we expect to operate at a loss in the early years. But if the current rate holds, that loss could stretch far beyond the point of reasonable recovery. We want to make PACE available to as many Ohioans as possible. But we need your help to make it financially viable to do so.

I believe we all recognize the tremendous value of a program that not only saves taxpayers millions of dollars each year but also allows seniors to age with dignity in the place they want to be, at home, in their communities. That is why I urge the Ohio General Assembly to act swiftly, in partnership with the Department of Medicaid, to correct the current rate-setting methodology and ensure it reflects the true needs and care patterns of the PACE population and allows for the program to be sustainable for many generations of Ohioans. **This can be accomplished through an amendment to HB 96 that establishes a standardized, nursing facility utilization rate for all PACE programs in Ohio.** It's about protecting a proven model of care that keeps Ohio's most vulnerable seniors out of costly institutions and instead supports them in living healthier, more independent lives.

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