



a2233 North Bank Drive Columbus, OH 43220
P (614) 444-2882
LeadingAgeOhio.org

Testimony of Andrea Hale
CEO, Valley Hospice
Senate Medicaid Committee

May 6, 2025

Good afternoon, Chair Gross, Vice Chair Barhorst, Ranking member Baker and members of the Medicaid Committee. Thank you for the opportunity to testify today. My name is Andrea Hale, and I am the CEO at Valley Hospice, a not-for-profit hospice provider serving Monroe, Belmont, Jefferson, Harrison, and the southern part of Columbiana County.

Valley Hospice has been serving our community for 40 years. We are a proud member of LeadingAge Ohio and are advocating on behalf of many other LeadingAge Ohio members across the state of Ohio.

At Valley Hospice, we provide compassionate, person-centered end-of-life care to over 500 patients and their families each year in Ohio. 40% of our patients reside in nursing facilities, where our interdisciplinary teams collaborate daily with facility staff to deliver comfort, dignity, support, pain, and symptom management to patients at the end of life.

The Issue: A Structural Loss in Medicaid Room & Board Pass-Throughs

When a Medicaid beneficiary in a nursing facility elects hospice, the hospice must be the one to bill Medicaid for that patient's room and board. The room and board is then paid to the nursing facility from the Hospice, hence calling it a "pass-through." However, Medicaid reimburses the hospice at only 95% of the nursing facility's rate — but to maintain strong partnerships and ensure residents continue to have access to timely hospice care, we provide payment for the full 100% to the nursing home. Otherwise, the nursing home would be cut 5% on each patient who elects hospice. We do not want to add a barrier to patients receiving hospice care, so that has never been a viable option.

This means Valley Hospice, along with all other hospices in the state of Ohio, absorb a 5% loss per patient per day, with no mechanism for recouping it. Over time, this loss erodes our ability to invest in the care Medicaid is intended to support.

The Financial Impact

In 2023, this gap averaged \$12.50 per patient per day. For hospices like Valley Hospice, with an average daily census of 100, where 40% of patients are in nursing facilities covered by Medicaid, this amounts to an estimated loss of \$182,500 annually. This loss is entirely outside of our control, it is not due to overspending or inefficiency, but because of a reimbursement structure that does not cover the cost of care.

Hospices across Ohio are absorbing this loss not because they can afford to, but because the alternative — shifting that burden to the nursing facility — would jeopardize patient access to hospice care altogether.

This is not a new concern — hospice advocates have raised this issue for decades, but without resolution, the financial strain continues to worsen.

What Could We Do With Those Dollars?

If we were reimbursed at 100%, we could reallocate these critical dollars to strengthen our care delivery and community access and no longer be forced to divert our already-stretched operating budget to cover this shortfall built into the reimbursement system. We could stop using funds meant for patient care to fill this gap. Given that 5% back, we would reinvest the dollars in:

Strengthening the workforce: Address the workforce crisis by offering competitive wages, investing in training, and reducing burnout for nurses, social workers, hospice aides and chaplains who are essential to quality end of life care.

Access: Expanding access to underserved communities in rural areas. The cost of mileage, travel time, and staffing in rural areas could be supported by eliminating this funding gap. Stretching our teams to areas that are farther away costs resources in mileage reimbursement and staff hours, but the dollars lost could be reallocated to serve those underserved communities that need our care.

Bereavement Services: Enhancing grief support programs for families, including those who don't qualify for traditional mental health benefits by offering support groups, school-based grief programs, and individualized grief support that prevents long term mental complications for grieving loved ones.

Innovation and Training: Invest in clinical innovations like dementia and disease specific programming, advanced pain management tools and education, and technology solutions for care coordination.

24/7 Response: Strengthening after-hours and crisis care response services ensuring patients and families in distress do not turn to emergency rooms as their only option.

Our Ask

We respectfully urge this committee to support a fix in the SFY 2026–2027 budget: reimburse hospices at 100% of the Medicaid room and board rate for patients residing in nursing facilities. This is a straightforward fix to a longstanding policy flaw.

Reimbursing hospices at 100% of the nursing facility's room and board rate would close the funding gap, align reimbursement more closely with actual costs, and ensure stability in the final phase of care for Ohio's most vulnerable patients. The estimated cost — \$4.3 million in state funds annually — is modest, but the impact would be profound.

Conclusion

Hospice providers like Valley Hospice have long served as the safety net provider at the end of life. But we cannot sustain that role while losing money every day simply to provide nursing home patients and their families with access to the hospice care they need.

Thank you again for your time and consideration. I welcome any questions you may have and would love to share more specifics about Valley Hospice.

We appreciate your leadership on behalf of the patients and families who depend on high quality and compassionate end-of-life care.