

Testimony to the House Finance Committee

Presented by Dr. Sandra Boyle

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Chairman Smith, Vice-Chair Schuring, Ranking Member Driehaus, and members of the House Finance Committee, thank you for the opportunity to testify today. My name is Dr. Sandra Boyle. and I am President and CEO of Pediatric Associates. I am here to testify on behalf of my practice, my patients, and my community.

Pediatric Associates is a private practice group with 23 physicians who work in four offices surrounding the Columbus area. We have 3 suburban offices in Pickerington, Hilliard and Lewis Center. Our original location is in Whitehall, where we have served children for 50 years. I'm here to tell you about the office I will have to close, the patients I will have to turn away, and the employees I will have to let go if you fail to raise Medicaid reimbursement rates to near-Medicare levels.

When I started practicing in our Whitehall location almost 30 years ago, less than 10% of our patients had Medicaid. Today, 54% of patients visiting our Whitehall office have Medicaid, and the overall Medicaid patient mix across our four locations is 34%. Personally, nearly 80% of my patients have state funded plans – I still see many of my patients as young adults, and I also take care of their children.

Our physicians decided to keep taking Medicaid payment long ago when many other practices would not accept patients with Medicaid because of the low reimbursement rates. We, however, felt that it was our responsibility to care for this population despite the financial and administrative burdens it placed up on our practice. In many ways, this population that needs us the most. Now, we are the largest private pediatric Medicaid provider in central Ohio, and we have to see two Medicaid patients to get the average reimbursement rate that we get from one of our private-pay patients. As you may imagine, low reimbursement levels from Medicaid make it tough to balance our books.

Things got a little bit better for us in 2013 and 2014 when our rates increased to 100% of Medicare levels. But now, because that rate increase has gone away, our practice will lose \$1,459,380 this year. Yes – you heard correctly – we will lose nearly \$1.5 million in 2015 alone.

We use the funds we bring in very carefully – we spent thousands of dollars to purchase vaccine storage units and alarm systems to meet the requirements set forth by the federal vaccines for children program. We did that so we could provide no-cost vaccines to our neediest children. Over the past five years, we've had to increase our billing staff, who have to spend more time jumping through administrative hoops when we see Medicaid patients than when we see those with commercial insurance.

More importantly, we also use our funds to provide really good care to our patients. Our clinical protocols for asthma and obesity, some of which are now used state wide, have decreased emergency room visits and comorbid conditions. Our high-quality and cost-efficient care certainly benefits our children and their families. But please take note: our efforts also positively affect the Medicaid managed care plans and, ultimately, the state budget.

When the rate increase went into effect in 2013, we hired three additional physicians to care for Medicaid patients. Before the rate bump, we only saw Medicaid patients with CareSource and Molina. Once the bump started, we opened our practice to additional patients who have Buckeye, Paramount, and UnitedHealth Care Medicaid Plans.

Now that we are faced with a \$1.5 million shortfall, I literally cannot continue to provide care to my patients. For the first in my memory, I did not give my staff a cost of living bonus this year, and because of that, I lost several staff members. My physicians' salaries stand to decrease 30-40% this year – can you imagine taking a 30-40% pay cut? Two of my physicians relocating this fall, and I will not have the funds to replace them.

And here's what really breaks my heart: since Medicaid rates went back down this year, I am doing a viability study on our Whitehall location. I know that I will have to close this office if Medicaid continues to pay at its current rates. The proposal to raise some rates to around 65% of Medicare won't be enough.

So unless you take action and raise rates to near-Medicare levels, I will be forced to close our oldest location that has faithfully served the pediatric Medicaid community of central Ohio since its inception. Not only would this be a loss for community healthcare, but it would probably mean the termination of 20-25 employees. I know it is a small number for you, but at a time when Whitehall and Franklin County are trying to revitalize and build jobs, this would certainly be counterproductive.

Although I am thankful for Governor Kasich's support of Medicaid expansion and the Executive Budget's proposed rate increases for limited primary care services, these new rates will not be enough for those of us who have tried to diligently serve this population that needs us the most. It will not be fiscally possible for us to continue to see the percentage of Medicaid we see now do, and it will not be possible for us to maintain our Whitehall location.

Therefore, I beseech you to reconsider the level of Medicaid enhancement in this proposed budget. Please reinstate at least 90% of the previous increase to primary care providers, particularly pediatricians, so I, and others can continue the journey for the neediest of central Ohio's children.

To close, I would like to share with you a story I read years ago that touched me very deeply and I regularly share with my employees. Folklore has it that there is an African tribe, the Masai, who's leaders and soldiers would always greet one another not with the phrase "Hello" or "How are you?" They would greet one another with the phrase "And how are the children?"

This acknowledged the value placed on the children's well-being. The response, "The children are well" meant life was good. Now, I am not sure how much of this is legend or fact but in my perfect world it speaks to everything. So, Mr. Chairman and members of the committee I ask you, "And how are the children?"