



OHIO ASSISTED LIVING ASSOCIATION

Written Testimony to the House Finance Committee The Ohio Assisted Living Association March 28, 2017

Chairman Smith, Ranking Member Cera and Members of the House Finance Committee,

My name is Jean Thompson and I am the Director of The Ohio Assisted Living Association; representing 470 of the 680 licensed providers of Assisted Living across Ohio. Assisted Living currently serves more than 40,000 elderly Ohioans; making it a very significant part of our long term care landscape. While the majority of Assisted Living is paid for privately, approximately 5,000 individuals are on the Assisted Living Medicaid Waiver (ALW); individuals who would otherwise be in more expensive skilled care settings. These citizens, many of who may be your constituents, live and are cared for in Assisted Living through this waiver program. Assisted Living provides a placement that is “in-between home with some services and a skilled nursing facility”. It uniquely addresses the needs of individuals who require a 24 hour protected environment, without a full-time family caregiver available. I’d like to discuss and walk through 4 budget items that are significant issues for the continued access and affordability of Assisted Living for both private pay and Medicaid waiver residents.

Increase Access to the Assisted Living Medicaid Waiver

This important program, serving those eligible for nursing home care, has never had an increase in reimbursement since it began in 2006. HB 49 includes an increase of \$13 million (state share) for the Assisted Living Waiver that would not begin until Fiscal Year 2019; however the new rate, requirements and structure are undefined. **We ask that this increase, which is needed now, begin in the first year of the biennium with a stepped increase between the two years utilizing the funds already allotted in the budget. This will maintain and build access to the program while the structure and reimbursement methodology are reviewed.** This program has been studied many times and in each case the studies indicated low reimbursement was a significant issue. Recently, managed care and its associated administrative burden have also become a major issue. It is important that access be increased to the Assisted Living Waiver. The ongoing low reimbursement, is discouraging Assisted Living communities from becoming waiver providers, or accepting new waiver residents.

Delay Managed Care Expansion

Adding to the uncertainty for this program as described above, is the budget’s enrollment of all the remaining assisted living waiver residents in a separate managed care program, outside of the existing MyCare program. This will create confusion for ALW recipients and more administrative burden for providers. Our residents are in their mid-eighties and many suffer some level of cognitive impairment. They – or their children – will need and want help from providers to understand any changes. Providers will have to deal with new and different managed care companies and their procedures and billing. So far in the demonstration, procedures, authorizations and payment have often been either very slow or incorrect. Additionally, it is uncertain if the Area Agencies on Aging will still be involved, providing needed consistent support to residents and providers. It also appears that the state will not maintain by contract (as in MyCare) a floor for reimbursement. **We ask that the move to managed care for the remainder of Assisted Living Waiver residents be delayed until the MyCare demonstration is over and an evaluation done.** If such a delay is not possible, we respectfully request that this committee recommend and place into HB 49 language

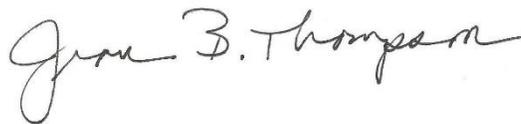
that will emulate the MyCare program that requires the state's rate be paid at a minimum to providers by any managed care company in order to not disrupt services to the frail elderly.

Retain the RCF Licensure in the Assisted Living Waiver

The Residential Care Facility (RCF) licensure was required by the state to ensure the health, safety, and quality of this setting for Medicaid recipients, with regular oversight by both the Departments of Aging and Health. The Assisted Living Medicaid Waiver is identified with licensed RCFs or as they are publicly known, Assisted Living. The cost of licensure is in the safety standards and monitoring its rules mandate, not its annual fees. **OALA is supportive of the initiation of other waivers in senior housing or other settings, but is opposed to the broad language proposal contained in HB 49 that would eliminate the RCF licensure standard for the Assisted Living Waiver.** This broad, undefined policy proposal would discourage providers of Assisted Living services from being licensed, a move backwards in terms of monitoring and quality and confuse the public who have now "identified" Assisted Living with it. (p. 335-337)

Remove ODH Proposed Civil Monetary Fines

ODH already has the authority to issue fines for violations of Residents' Rights ORC 3721.17 (F) and for licensure violations ORC 3721.99. This new proposed language expands when fines could be assessed, including for lower level no harm citations, and significantly increases fine amounts (up to 10 times as much). Fine revenues would be deposited in the Health General Revenue Fund. *Why are these new excessive fines necessary?* The 680 Assisted Living communities in Ohio have a very positive track record with the Department of Health and the public. (571 deficiency free surveys in the last 2 years and 92.3% resident satisfaction.) The broad language in the budget bill is punitive, permissive, and open to possible misuse. All RCFs would need to prepare for this new fine potential, increasing their business cost and subsequently the cost of Assisted Living for all residents, reducing their funds, which would result in more residents needing Medicaid assistance earlier. Additionally, it would be a further disincentive (beyond low reimbursement rates) for providers to participate in the Assisted Living Waiver. If there are a few poor performing communities that do not respond to compliance directives by ODH, it is appropriate for their licenses' to be revoked. In the last few years, even given the incredible growth in the number of licensed RCFs, the state has revoked very few RCF licenses. **OALA asks for these new, unneeded, expensive fines for RCFs to be removed from House Bill 49.** (p. 1271-1274)



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