

Health and Human Services Subcommittee
House Bill 110
February 23, 2021

Good afternoon, Chair Roemer, Ranking Member West, and members of the subcommittee. I am Pete Van Runkle from the Ohio Health Care Association. OHCA represents providers of assisted living, home care, hospice, intellectual and developmental disabilities, and skilled nursing services. We appreciate the opportunity to appear before you today to discuss the Department of Developmental Disabilities budget on behalf of our members serving in that arena.

OHCA supports the four budget priorities Director Davis outlined during his testimony to the full committee last week: strengthening the direct support professional workforce; investing in innovative technology; investing in early intervention; and supporting multi-system youth. We work with the department and other stakeholders continuously on these priorities.

We also wish to call the subcommittee's attention to the devastating impact of the COVID-19 pandemic on services to people with disabilities and the providers who serve them. Thousands of people in our system, both staff and individuals served, have contracted COVID-19 and sadly, some of them have died. Daily operations of both residential and day service providers have been disrupted severely. The stress on caregivers and small businesses has been incredible.

Day services closed or had to operate at a fraction of their previous capacity because of government restrictions and people's choices to stay home. Residential providers abided by numerous restrictions like reduced freedom for residents and infection control measures such as personal protective equipment and COVID-19 testing. All the while, the virus made the staffing crisis in DD services worse as staff members got sick or left out of fear or because of child care or other home-front needs. All of this has increased costs for providers while reducing revenue because they are serving fewer people.

When it comes to strengthening the DSP workforce, which really means funding the provider agencies that employ the DSP workforce and other dedicated professionals, DODD's budget speaks in terms of continuation – in other words, flat funding – and notes investments made in the last budget. While OHCA is extremely grateful for the work the Administration and the legislature did in the last budget to improve funding for DD services, everyone at the time

recognized that it was a beginning, not an end. Then COVID-19 struck, further underscoring the need to do more to shore up the DSP workforce and the provider network that supports it.

Unfortunately, by flat-funding both DD waiver services and ICF/IID services, DODD's budget for State Fiscal Years 2022 and 2023 does not take the necessary next steps to build on what was done in the last budget. Flat funding is not enough to allow providers even to hold their own in the competition for workers.

To recap, the main features of the last budget in this area were to increase waiver rates to allow higher wages for DSPs, making progress toward the goal of \$15.00 per hour, and to allow the ICF rate formula to work unhindered, recognizing increased operating costs for ICFs such as DSP wages. It should be noted that the last budget left out day services when it came to increased funding.

OHCA respectfully asks this subcommittee and the legislature as a whole to add to DODD's proposal the necessary building blocks both to continue progress in developing a stable workforce and flourishing services for citizens with disabilities and to respond to the damage from COVID-19. Our proposals are as follows:

- A 5% annual increase, starting January 1 of each year, in the Medicaid rates for waiver services, including both adult day and residential. We estimate the cost of this proposal to be \$197 million all funds over the biennium.
- Allowing the ICF rate formula to continue working to recognize providers' costs without the artificial cap DODD proposed, but in the first fiscal year giving providers the greater of the formula rate or their rate as of June 30, 2021. We estimate the cost of this proposal to be \$39 million all funds over the biennium.
- Another pandemic relief payment, similar to the payments the state made in 2020 and hopefully in early 2021 using one-time funds, acknowledging that the pandemic is not over and its effects will linger for months or even years. For waiver providers, this payment would equal two weeks of their normal Medicaid payments. For ICFs, it would be an add-on of about 3.8% to their rate. We estimate the cost of this proposal to be \$97 million all funds in SFY 2022 only.

We appreciate your consideration of our ideas to strengthen the DD service delivery system and to help it recover from the pandemic.

Thank you for your attention. I would be happy to answer any questions from the subcommittee.