



Testimony to the House Finance Subcommittee on Health and Human Services

Chairman Roemer, Ranking member West, and all members of the Committee,

Thank you for this opportunity to address you on Assisted Living and the states upcoming budget. My name is Jean Thompson, and I am the Executive Director of The Ohio Assisted Living Association (OALA) representing 580 licensed Assisted Living communities. Our members represent the diversity of Assisted Living in Ohio; for-profit, not for profit, corporate entities, and single owner properties. While Assisted Living is primarily private pay, there is a small Medicaid Waiver program serving about 6850 people. This program would be larger were it not for the program's low reimbursement history which would be good for Ohio as all individuals in it are nursing home eligible and without the Waiver would likely receive more expensive services in nursing homes. This is a money saving program.

Since its inception in 2006, it has only experienced one increase and that came following the last budget. It was an increase of 3.25%, although the Legislature approved 5.1%. Current rates are \$51.60, \$61.95 and \$72.26 per day dependent on Tier Level. There are 3 Tier Levels with most residents in the program in Tier III.

Per Director Corcoran of Medicaid there are funds in this budget for a 4% increase in reimbursement for the program and we are grateful to the Administration and Directors Corcoran and McElroy for this proposed increase. The funds in the budget assume a start date 90 days after budget passage. We would ask for any increase to start immediately following budget given the delay we experienced in the last budget. It did not take place until January in the MyCare portion of the program and until March in the traditional program. We are not asking for any increases to be in statute, but rather accomplished through a rules process.

While we appreciate the Administration's suggestion of the 4% increase, moving the reimbursement to **\$53.66, \$64.43 and \$75.15. It is not enough to cover costs.** We believe there is legislative will and some amendments that will be offered that would increase it slightly more. One proposal suggests a 5% increase across the Board in each year of the budget, and another with a 5% increase over the 2 years of the budget and yet another with a 5% increase over the 2 years of the budget plus a \$5 per day "add-on" for memory care. Attached to my testimony today are outlines of the costs of each of these proposals, (along with the 4% increase offered by the State) and how they would affect reimbursement.

The Assisted Living Waiver provides a private apartment, meals, snacks, activities, housekeeping and 24-hour access to help along with basic Activities of Daily Living (ADL) services and medication administration by a nurse dependent on an individual's Tier Level within the program. At the highest level currently, the reimbursement is only \$72.26 per day plus \$24/day for room and board (this amount

is set by the State but paid by participants). This reimbursement has not kept pace with the costs of providing care. Providers have simply not been able to expand this program to meet rising need based on these levels of reimbursement – particularly during COVID. Please see attached materials providing details on the required services in the Assisted Living Waiver, and the rising cost of providing Assisted Living services compared to program reimbursement.

Attached too as a reference is a comparison document regarding reimbursement in various similar Waiver programs. While we are not suggesting these programs are receiving too much, we only include them to demonstrate that the ALW reimbursement is not sufficient. The only other program in the comparison that offers a 24-hour service is skilled care.

This is why we respectfully ask the General Assembly to ultimately approve more funding for the program than the State offered 4%. Following the pandemic, there will be increased demand for the Assisted Living Waiver, based on people's hesitancy during a time of restrictions to come to Assisted Living even when it was needed. This will be especially true in memory care. Thus, the suggestion for a "memory care" add-on. Memory care is more expensive to provide than traditional Assisted Living.

In the initial stages of COVID, the current reimbursement barely covered the costs of very expensive PPE, increased staffing costs and disinfecting expenses. These items remain an issue yet today. Assisted Living has not received the financial support during COVID of our skilled care colleagues, nor any direct shipments of PPE, although we have throughout the pandemic been aligned by the State with them in terms of requirements and reporting.

While not primarily a budget issue, nor just an Assisted Living Waiver issue, but an all Assisted Living issue, we would like to take this opportunity to ask Legislators to consider targeting relief funds to Assisted Living. Last year, we did receive Controlling Board funds from discretionary CARES Act dollars the state received as did other healthcare providers. However, we only received 32.5 million, whereas nursing homes received 117 million. There are approximately 950 nursing homes in Ohio and 787 assisted living communities serving approximately 38,000 Ohioans.

People are surprised by what a large number of Assisted Living communities there are, not realizing what a big part of the Long-Term Care landscape Assisted Living has become. The disparity in the funds we received needs to be addressed whether it is through remaining CARES Act dollars the State has or as more are allotted to the State in new federal funds.

In closing, I ask you to support the option that provides the largest increase in reimbursement which is a 5% increase with a \$5 add on for Memory Care, Tier Level III, or a 5% increase in each year of the budget. The Assisted Living Waiver is a money saving program for Ohio. All individuals on it are Nursing Home eligible and would likely go to a nursing home except for the availability of the lower cost ALW placement.

Also, we ask you to review whether there are any remaining CARES Act dollars that could be targeted to Assisted Living, which is in desperate need of them. I would be glad to answer any questions I can.

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