

April 20, 2023

Written Testimony on Substitute House Bill 33

House Finance Committee

Re: Fixing the Medicaid Payment Methodology for Private Duty Services in Ohio

Thank you, Chair Edwards, Vice Chair LaRe, Ranking Member Sweeney, and House Finance Committee members for the opportunity to provide written testimony on Substitute House Bill 33.

My name is Veronica Charles and I am the Senior Director of Government Affairs at Maxim Healthcare Services, Inc. (“Maxim”). Maxim is a national provider of home healthcare, homecare, and additional in-home service options. We provide over one million hours of services per year in Ohio via 10 offices employing approximately 2800 nurses, caregivers and staff that serve over 1500 patients throughout the state, primarily offering private duty nursing (PDN) services. Private duty nursing is continuous skilled nursing care provided in the home for medically-complex and vulnerable pediatric and adult patient populations under Medicaid, many of whom require assistive technology such as ventilators and tracheostomies to sustain life.

Our nurses serve the most medically fragile individuals in the state—including children with special healthcare needs (CSHCN) and children with complex chronic conditions (CCC) along with adult patients who require similar services. These individuals require skilled nursing services performed in the home by a registered nurse (RN) or licensed practical nurse (LPN) under the supervision of an RN from between 4 to 24 hours per day every day in order to manage their chronic condition and keep them safe in their homes and communities. Our goal is to keep these individuals in the setting that promotes their highest quality of life and allows them the opportunity to engage in their Ohio communities.

Unfortunately, many Ohio children with special healthcare needs are either not receiving enough nursing services in the home or not able to access these lifesaving services due to the lack of available nurses stemming from the state’s Medicaid rate methodology. Ohio’s current reimbursement methodology for private duty nursing creates an inequitable payment structure that pays nurses a certain market wage for the first hour of care in the home but then significantly less every subsequent hour thereafter. This “base rate/sub rate” system makes sense for other types of home health where the state is incentivizing clinicians to perform their visits and move onto the next patient, but this system poses a significant access risk when applied to nurses who are spending between 4-12 hours a day caring for our state’s most medically fragile population. These nurses should be paid the same wage every hour. Not to mention the fact that Ohio is one of the only, if not the only state to use this payment methodology for private duty nursing services. This

inequitable and inefficient payment system also ensures that Ohio is one of the lowest paying states for these services.

Unfortunately, despite years of advocacy on this topic from industry leaders, parents, and patients, the funding to fix Ohio's Medicaid payment methodology was not included in the most recent budget sub-bill. We understand the numerous competing priorities throughout the state of Ohio, but these children truly cannot wait.

Ohio's Medicaid reimbursement rates for these critical services needs to change. The current payment policy has created critical access issues for services and has left many patients forced to seek more expensive care in nursing homes or hospitals at precisely the time when that capacity is needed elsewhere. In fact, some children who qualify for home health services in Ohio have been forced into prolonged hospital stays and spent their first and even second birthdays in an area hospital due to the lack of available nursing. These children are being denied comfortable nursing care at home while also costing Medicaid an average of \$3400 a day.¹ Meanwhile, should the state fix its payment methodology and reimburse PDN nurses at the intended base rate for each hour of care, the average cost of providing continuous private duty nursing in the home to a child would only cost Medicaid \$672 per day.²

The committee has the opportunity and responsibility to offer these children and their families a better way of life, while also helping balance Ohio's Medicaid budget. With an appropriation of \$20,832,240 in annual state funds, this committee has the chance to removing the outdated base-rate/sub-rate structure for PDN and the entire waiver population, as requested by Medicaid. Fixing the PDN reimbursement system is not only the right thing to do for these children and the medically fragile population, but it's also the right way to spend Ohio's precious Medicaid dollars and put a stop to unnecessary hospital and other institutionalized healthcare bills.

Governor DeWine and the Ohio legislature has worked to prioritize children with complex healthcare needs, and offered a 6% increase to Medicaid rates under the last budget cycle. While our nurses are grateful for the Governor's recognition of this critical healthcare service, a 6% increase has not changed the fact that the current structure pays nurses between \$15 and \$20 less per hour after the first hour of care. If the committee wants to make a difference in the lives of these children and Ohio's nursing profession, which we believe they do, we urge the committee to address Ohio Department of Medicaid's (ODM) payment methodology and help put Ohio's Medicaid reimbursement rates on a sufficient trajectory to compete with other surrounding states and stabilize home health services.

¹ This is the average amount incurred by Medicaid. The average overall cost of one pediatric ICU day at CCHMC is \$11,000 and the average cost of one day in the transitional care center at CCHMC is \$4000.

² Across a typical 12 hour PDN shift assuming the state uses the new Medicaid base reimbursement rate of \$60.30 an hour for RN and \$51.71 for LPN services. The actual overall cost for a typical 12 hour PDN shift in Ohio under current rates is much lower, at only \$561 per day.

Thank you for your support of home health and private duty nursing services in the state of Ohio. We hope that the committee will consider our desperate request to fix Medicaid reimbursement rates for private duty nursing services so that Ohio can compete with neighboring states and keep their skilled nursing workforce. We want to work with you to promote a better lifestyle for children and adults with complex healthcare needs in our community and continue to bring children home by offering them the nursing services they need. If you have any questions, please feel free to contact me directly at vecharle@maxhealth.com.

Sincerely,



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