

March 16<sup>th</sup>, 2023

The Honorable Sara Carruthers  
Chair, House Finance Subcommittee on Health & Human Services  
The Ohio House of Representatives  
1 Capitol Square  
Columbus, OH 43215

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

My name is Kevin Martincek and I am the Area Vice President 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 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. In fact, every single neighboring state (Kentucky, Pennsylvania, Indiana, and West Virginia) pays upwards of \$20 more per hour – a problem that would be resolved by removing the sub-rate from PDN services and reimbursing these services under the current base rate.

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.<sup>1</sup> 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.<sup>2</sup>

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 have 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.

---

<sup>1</sup> 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.

<sup>2</sup> 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 the Medicaid reimbursement structure 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 [kemartin@maxhealth.com](mailto:kemartin@maxhealth.com) or Maxim's Senior Director of Government Affairs, Veronica Charles, at [vecharle@maxhealth.com](mailto:vecharle@maxhealth.com).

Sincerely,

*Kevin Martincek*

Kevin Martincek  
Ohio Area Vice President  
Maxim Healthcare Services  
200 E Campus View Blvd #250  
Columbus, OH 43235

A handwritten signature in black ink, appearing to read "Veronica Charles".

Veronica Charles, MPA  
Senior Director of Government Affairs  
Maxim Healthcare Services  
7227 Lee Deforest Drive  
Columbia, MD 21046

cc: Members, House Finance Subcommittee on Health & Human Services

# Ohio's Home Health Nursing Payment System Hinders Patient Access to Care

The number of children with chronic and special healthcare needs is on the rise in Ohio and across the nation. Many of these children are being denied critical access to home health nursing due to a lack of state Medicaid funding.

## WE MUST ENSURE THAT OHIO'S MEDICALLY FRAGILE CHILDREN ARE NOT LEFT BEHIND!

Private duty nursing, or continuous hourly skilled care nursing, is a critical component of care for these Ohio children and their families. Private duty nurses are specially trained, hourly nurses whose care does not change from the first hour of care to the last hour of care. Therefore, they should be paid the same hourly wage based on the home health base-rate, so that they can stay with their patients as determined by their prescribed care plan.

Unfortunately, despite the well-known benefits of private duty nursing on children's lives and Governor DeWine's investment in improving care for children with complex special healthcare needs, Ohio's Medicaid payment methodology undercuts the lifesaving services that these beloved nurses provide.

IN EACH OF THE 37 STATES THAT MAXIM OPERATES IN, ONLY OHIO USES A BASE-RATE/SUB-RATE STRUCTURE FOR PDN SERVICES.

	Ohio	Pennsylvania	West Virginia
<b>RN Rate</b>	<b>\$38.76*</b>	\$71.20	\$74.94
<b>LPN Rate</b>	<b>\$31.83*</b>	\$49.08	\$74.94

\*These numbers illustrate a blended average payment value factoring in the first hour rate and the lower rate for each subsequent hour with a typical nursing shift. The actual hourly payment likely varies based on local rate to each hour from the maximum reference level.

Utilizing the home health base rate for all PDN hours and removing the sub-rate for these services will drastically increase our ability to lobby, fund both hours and keep them out of the hospital.

Ohio is from National Survey of Children with Special Healthcare Needs (2009-2010)  
 US Dept. of Health and Human Services  
 Pennsylvania Fee Schedule PA Department of Human Services, Updated Quarterly  
 West Virginia costs averaged by year rates, for additional information see WV fee schedule  
 Centers for Medicare and Medicaid Services, Improving Medicaid Coverage for Young Children, March 20, 2011



In order to fulfill our promise to improve children's access to care, Ohio needs to invest in our children with complex and special healthcare needs by removing the sub-rate from private duty nursing services, just like other states.

Our nurses are supported by their patients, families, Ohio hospitals, and other caregivers – but they need our lawmakers' support to fix the decades long problem that has kept PDN rates so low.

**65%**

of Ohio families with children with chronic special healthcare needs are unable to receive the services they require.

**35%**

of these families report inadequate coverage through Ohio's Medicaid Managed Care and state private plans.

## Ohio Medicaid Expenditures for Children



- 47<sup>th</sup> in the nation<sup>4</sup>
- 20% below the national average<sup>4</sup>



MAXIM HEALTHCARE SERVICES

## Ohio Private Duty Nursing Fast Facts

- Maxim employs nearly **1,200** caregivers across Ohio.
- Maxim nurses and caregivers provide care for roughly **900** Ohioans.
- Of the 1,953 Medicaid participants approved for Private Duty Nursing (PDN) care, Maxim nurses care for 540 of them, or roughly **28%** of the state's eligible members.
- Maxim's patient population has decreased drastically, forcing us to close three brick and mortar locations in 2021.
- Maxim's 10 Ohio branches are forced to miss an average of **2,474 authorized hours** per month due to 'No Qualified Caregiver Available'. That's **2,474 monthly hours** missed across Ohio's most vulnerable patient population.
- In each of the 37 states that Maxim operates in, only Ohio uses a base-rate/sub-rate structure for PDN services.
- The payment methodology prevents Ohio from competing with surrounding states.
- Since the last budget cycle in 2021, PDN in other states has made large improvements, while Ohio has only accounted for inflation.
- If the Ohio Department of Medicaid (ODM) were to change this policy to offer the same base-rate across all hours of continuous skilled care private duty nursing, nurse retention and patient access to nursing care would drastically improve.
- According to Nationwide Children's Hospital, the daily cost of keeping a child in the NICU/PICU costs Medicaid **\$10,000** per day.
  - » At an average wait time of four months per child in the hospital who needs a PDN nurse, Medicaid pays \$1.2M per hospital stay for these vulnerable patients.
- Removing the outdated base-rate/sub-rate structure for PDN and the entire waiver population, as requested by Medicaid, will require an additional **\$20,832,240** in annual state funds.