



**House Bill 166 (Oelslager) Operating Budget  
Ohio House Finance Subcommittee on Health and Human Services Interested Party Testimony  
Monday, April 8, 2019**

Chairman Romanchuk, Ranking member West, and members of the House Health and Human Services Subcommittee, thank you for the opportunity to be here today to share testimony on the Governor's proposed budget (HB166). My name is Kathryn Brod, and I am the President and CEO of LeadingAge Ohio. LeadingAge Ohio is an association representing mission-driven, values-based providers of long-term services and supports to older Ohioans. Our 400-plus members are life plan communities (CCRCs), affordable housing providers, skilled nursing facilities, adult day programs, assisted living, county homes, home health agencies and hospices, among others. Together, LeadingAge Ohio members serve an estimated 400,000 Ohioans annually and employ approximately 35,000 Ohioans statewide.

Before I share our thoughts on the Executive Budget, I wanted to share a few things that distinguish our members and indeed, our perspective, from others. First, our members have long, deep histories in their communities. The youngest have served their communities for decades, the oldest, for centuries. They are rooted locally, have grown locally, and as such, resemble the needs of their local communities. For this reason, we often say, if you've met one LeadingAge Ohio member, you've met one LeadingAge Ohio member. This long history provides them with a different approach to today's challenges. Their scope is not limited to the next year or even the next quarter, but rather, they are looking for ways they can continue to serve the older adults in their community, for decades to come. This means that the two year budget cycle is particularly limiting. All of the issues I will speak to today have been concerns for our members many years in the making. The solutions that you will advance this spring will have an impact on their communities for years to come.

Second, it is the rare LeadingAge Ohio member that offers just one service line. Because they are responsive to their local community needs, most of them have grown programs and services accordingly. Our members include housing providers that also offer home care and service coordination to enable the seniors they house to remain home for life. Another member recognized a need amongst their staff and wider, rural community, and opened a childcare facility on-site. Many of our hospice members have recognized the utility of their skill set in providing chronic care management earlier in the disease process, so ventured into palliative care.

Last, our organizations are oriented towards mission—"mission-driven" is the phrase we use. A majority of them are faith-based, and while we try not to dwell on tax status, the overwhelming majority of them are non-profit. This orientation aligns them with the state's interests: you are accountable to taxpayers. We are responsible to demonstrate community benefit. The way that this translates into advocacy is that our members are looking beyond the boundaries of any single payment model, benefit or program, beyond two-year budget cycles, beyond margins, for solutions that are sufficiently flexible and varied to meet the diverse needs of Ohioans across our state. Our goal is not for any one part of the care system



to get what it wants, but to strengthen the whole system of long-term services and supports. In short, we're looking for ways to help all boats rise.

Now that you know who we are, I want to share with you what keeps us up at night. By 2040, Ohio's over-60 population will top thirty-percent of its population overall. Compared to other states, Ohio's older adults are sicker, ranking in the bottom decile for obesity, and near the bottom quartile for hypertension and diabetes. We have made great strides over the past two decades rebalancing the mix of long term care, lowering the percentage of Ohioans in institutional settings and boosting home- and community-based care. However, this rebalancing comes with a cost: we are able to provide more complex care in less restrictive settings, but the result of this is that across settings our members are seeing rising acuity in the populations they serve, as each provider works to accommodate an individual's needs to the greatest degree possible before transferring to a higher level of care. This rising acuity is felt most by frontline caregivers.

At the same time, we are experiencing a severe workforce shortage. In a 2016 workforce study surveying long-term care associations' members across Ohio, 7 of 10 STNAs who left their job did so to seek better pay, 75% of nursing facilities and assisted living facilities have fewer STNAs than planned and 20% had no applicants for certain positions. Hospice and home health workforce trends mirrored this, with 57% of hospice and home health agencies reporting they have fewer home health aides than planned, 40% of hospice and home health agencies reporting no applicants for certain positions. When we conducted this survey, 1 of 5 providers was limiting services because of these shortages.

In order to provide care in less-restrictive settings, we need to ensure that there are high-quality providers that are able to operate in that space, across the state. The Ohio Assisted Living Waiver was first developed in 2006 to fill a critical gap in Ohio's long-term services and supports system. For the first time, low-income Ohioans were able to access this community-based care model. Ohio saw the benefit: in order to be eligible for AL Waiver, you had to meet the clinical criteria for nursing facility care, which means that every enrollee was a net savings to Ohio's nursing facility spend.

Twelve years have now passed, with inflation and cost of living eroding any margin that once existed in the program. The last General Assembly appointed a work group to focus on this issue, but try as they did to find efficiencies, the consensus was clear: the low reimbursement is the primary driver for the program's low provider participation rate.

If we want all boats to rise, the first thing we need to do is plug the holes, and Ohio's Assisted Living Waiver program is a clear hole. LeadingAge Ohio's solution, supported also by the Ohio Assisted Living Association and the Ohio Health Care Association, would bring funding for this program to a sustainable level, while also reforming it to better match Ohio's aging population, adding a new memory care tier.

Last week, you heard that there is currently no waitlist for PASSPORT. While from the state's perspective there may be no "wait list" for PASSPORT, our LeadingAge Ohio members provide a different perspective. One LeadingAge Ohio member reports that it can only fulfill one of every four referrals



received from the program. This provider deliberately limits exposure because, when providing PASSPORT personal care services, the organization loses \$5-7 for every hour of care provided. That is right-- they are earning nothing and in fact, paying \$7 per hour to serve individuals in the program. I am sorry to share that they are in the process of leaving the program. The bottom line is that the state is providing a benefit on the backs of the providers.

Other providers face heart-wrenching decisions as they struggle to schedule PASSPORT personal care aides: should they send this aide to visit Person A, to help Person A safely take the only shower she will have that week, or should the aide be sent to Person B, who may not get out of bed that day without the visit. Our members have worked hard to advance solutions to address challenges.

LeadingAge Ohio members are among the few providers working to make the Enhanced Community Living service under PASSPORT work. This program allows a single nurse's aide to divide their time between six PASSPORT clients who are housed under a single roof, as is the case in many affordable housing communities. ECL is a smart use of Medicaid dollars, saving mileage and travel time, reducing idle time, and ultimately allowing more individuals to be served by a smaller workforce. Unfortunately, this program, too, is provided at a net loss.

Finally, the Governor's proposed budget removes the annual market basket adjustment for nursing home reimbursement. Whereas historically, a healthcare provider may have competed with other healthcare providers for staff, a strong economy means that prospective employees can often find easier jobs that pay more in other sectors. In West Liberty, applications dry up when Honda is hiring. In Napoleon, the big competitor is the Campbell's plant. One member shared their newest competitor was the new medical marijuana cultivator in town. And let me tell you, every time that Amazon announces new jobs, I think of the elders who may struggle to find care in the proximity. Our members have reported direct care cost increases in excess of 5% per year. How can we provide high-quality care if we haven't increased reimbursement for care either in their homes via PASSPORT or in Assisted Living Waiver or in Nursing Homes? How can we recruit quality staff when we can't provide competitive wages?

Three years ago, as the current workforce crisis was ramping up, LeadingAge Ohio recognized that it could not continue to come to you empty-handed, asking for increased reimbursement. We decided to do everything that was within our power to address the workforce challenges our members face.

We now have dozens of outside-the-box initiatives focused at varying levels of the education system, and targeted at different aspects of our workforce challenges. From elementary schools to community colleges, from employee recognition to enhancing supervisor training, we have done our homework on workforce. Our partners are piloting models where providers purchase shares of service coordinators, not to serve their residents but rather, their employees, helping them overcome common barriers to employment like childcare, transportation and other challenges. Another company is testing an app which may replace staffing agencies, allowing providers to draw from Ohio's pool of independent



providers to fill vacancies. Some of our members are testing clinician-extending technologies like robotics and telehealth to stretch the existing workforce.

Without a doubt, we have a responsibility to innovate. But what we cannot do on our own is address the growing funding shortfalls we continue to experience. I respectfully ask you to restore the market basket to the nursing home reimbursement formula to provide adequate reimbursement to care for Ohio's most frail population.

A final funding shortfall may be more easily solved – that is, the funding challenge caused by the Medicaid eligibility process for nursing homes. Ohio's current standards for establishing Medicaid eligibility are frustrating for families and financially unsustainable for nursing facilities. Losses that nursing facilities incur due to slow application approvals compound the shortfalls they experience in caring for this vulnerable population, and it leaves Ohio families suspended in the middle, unsure if they will be hit with a large nursing facility bill if they're deemed ineligible.

Due to the short time we have here today, I won't share the long and complicated process of being approved for Medicaid, nor the numerous stories we have gathered about the human impact of the issue. I will share that while it's the County Job & Family Service (JFS) agency that is responsible for processing the application, it is the nursing home that incurs the debt of uncompensated care. When applications are not processed in a timely fashion, or when eligibility is denied, but denied at a long delay, it is the nursing facility that is left holding the bill. For some of our members, the bill is in the millions each year. We respectfully request your support of an amendment that would provide a common-sense approach to expedite the application process for beneficiaries, family members and providers.

Chairman Romanchuk, we have appreciated your leadership in the past, and we look forward to working with you to continue to help you make policy decisions that maximize taxpayer dollars and ensure elder Ohioans receive access to and delivery of the quality of care they deserve. Thank you for the opportunity to share my thoughts. I am happy to answer any questions you might have.