



**OHIO ASSOCIATION OF  
MEDICAL EQUIPMENT SERVICES**

**Testimony for the Ohio General Assembly Joint Medicaid Oversight Committee**

**Ms. Kamela (Kam) Yuricich, Executive Director  
Ohio Association of Medical Equipment Services – December 9, 2021**

Honorable Chairman Patton and members of the Joint Medicaid Oversight Committee:

I greatly appreciate the opportunity to be here today to discuss the American Rescue Plan Act of 2021 (ARP), specifically to verify the States' commitment to include Durable (often called Home) Medical Equipment (DME or HME) providers in their spending plan submitted to the Center for Medicare & Medicaid Services (CMS) on October 19, 2021, for the allocation of funds from ARP. Section 9817 of the law provides a temporary 10% increase to the Ohio Department of Medicaid's FMAP to among other things *"enhance, expand, or strengthen"* beneficiary access to Home and Community-based Services (HCBS).

I am the Executive Director of the Ohio Association of Medical Equipment Services (OAMES) serving in this role for over three decades. OAMES is a non-profit state trade association celebrating its 40<sup>th</sup> anniversary advocating for cost-effective, quality care at home. We represent approximately 90 home medical equipment (HME), medical supply and complex rehab technology (CRT) providers, manufacturers and service organizations. This includes many small businesses and pharmacies across Ohio as well as global entities such as Cardinal Health, McKesson Medical-Surgical, Invacare, Nestlé Nutrition and hospital-based HME organizations such as Nationwide Children's, Cincinnati Children's, Ohio Health, ProMedica, Mercy Health and more. HME providers play a critical role in the continuum of care transitioning patients from hospitals and acute care facilities to their home. They supply home oxygen therapy, ventilator services, complex rehab devices and wheelchairs, mobility aides and many other medically necessary HME items, medical supplies and services that allow patients to be discharged safely to the home setting.

OAMES, along with our national partners, the American Association for Homecare and the National Coalition for Assistive & Rehab Technology, first reached out to both Governor DeWine and the Ohio Department of Medicaid on June 28, 2021, asking that HME providers be considered for inclusion in the use of the additional FMAP funds specifically requesting that ODM increase HME providers' reimbursement by 5% for a two-year period. We also participated in ODM's August stakeholder survey reiterating that request, citing studies and statistics occurring in the HME services industry.

The CMS State Medicaid Director Letter, SMD# 21-003, issued in May offers guidance regarding the inclusion of the funds from ARP and suggestions on how the funds could be utilized to strengthen the HCBS benefit. Appendix B on page 14 of this guidance defines the Home and Community-Based Services eligible for the

ARP Section 9817 Temporary Increased FMAP. Home Health is included as an eligible service and the benefit description of “home health services” includes medical equipment and supplies.

*“Home health services are mandatory services authorized at section 1905(a)(7) of the Act, and defined in regulations at 42 C.F.R. § 440.70. Home health services include nursing services, home health aide services, **medical supplies, equipment**, and appliances, and may include therapy services (physical therapy, occupational therapy, speech pathology and audiology). Line 12-Home Health Services”*

With this inclusion, HME providers qualify as a HCBS provider and fall under two of the four major areas of proposed funding in Ohio’s ARP spending plan recently submitted to CMS:

1. Provider Workforce Relief:

The State’s proposal includes a “one-time direct payment to HCBS providers in recognition of the essential work performed and for relief from the negative economic impact experienced during the ongoing COVID-19 public health emergency. The provider groups identified for this support are all direct providers of HCBS services listed in appendix B to SMD# 21-003”. As noted above, this includes HME and supplies.

2. Technology Enhancement:

HME suppliers provide wheelchair transfer boards, mobility equipment, patient remote monitoring devices and other supplies that allow Ohio Medicaid beneficiaries to be independent and remain part of the community. This includes using telehealth and technology to support individuals in the community. Our members can provide technology above the standard equipment covered by Ohio Medicaid (for example, combination electric patient lift/transfer systems, wheelchair ramps), to allow for greater independence and longer periods of time not requiring a personal attendant or other human intervention.

While by definition HME providers are covered, we’ve not received confirmation that ODM did, or did not, include home medical equipment services in their spending plan calculations submitted to CMS. Coincidentally, OAMES hosted its Annual Meeting & Exhibition in October shortly after Ohio submitted its plan. Chief Policy Officer Patrick Beatty gave the presentation which included an update on ARP. We questioned Mr. Beatty at that time on whether reimbursement relief for HME providers had been included in Ohio’s submission to CMS. He was unable to answer and we’ve been unsuccessful confirming a follow-up meeting thus we appreciate today’s hearing to repeat our request and get clarity.

Ohio’s HME providers have been valiant throughout the course of the ongoing pandemic, especially for Ohio’s Medicaid enrollees, ensuring they are safely being serviced in their homes. HME providers have played a vital part in not only keeping our state’s most vulnerable residents out of the hospital setting but also ensuring that those recovering from COVID-19 can get home oxygen and ventilator services on an outpatient basis. In addition, our providers worked with area hospitals to discharge patients who are able to be taken care of at home as quickly as possible to create room for COVID-19 patients. They have ensured certified respiratory therapists are available to help patients in their homes and leaned on manufacturer and distributor partners to get products in our communities as expeditiously as possible. These efforts have helped reduce the intense pressure on hospitals and clinicians during the pandemic and continue today.

As has been the case for other parts of the health care sector, the pandemic has caused our costs to increase drastically. HME companies are uniquely impacted as a product-focused provider. The acquisition costs of the equipment due to material expenses, limited availability and supply chain disruption are rising dramatically. This does not include the personal protective equipment (PPE) costs which have skyrocketed and are vital to protect our patients and employees while providing services in a home-based setting. At the same time, our staffing costs have increased due to the need to use contract staffing and pay retention bonuses to keep our existing employees. Reimbursements have not been adjusted to reflect these increases and with our narrow margins – especially for those served on Medicaid – suppliers find themselves in a difficult financial position and relief from ARP funds would go a long way towards gaining stability.

We also recognize that rate increases were included in Ohio's biennium budget which are currently being implemented for many of Ohio's fee-for-service HCBS waiver programs and while these are essential, home medical equipment providers were not included underscoring that we should be a priority for ARP funds.

Before I close, I also want to share concerns about the loss of HME providers in Ohio; a point OAMES past president Nick Kalogeras mentioned in testimony before this committee in September. The HME healthcare sector is shrinking due largely to a controversial Medicare program implemented several years ago which has been exacerbated by a difficult Medicaid managed care environment. In a recent analysis by the American Association for Homecare using CMS' data, the number of HME provider locations continue to decline throughout the United States. Based on the latest report, Ohio has seen a 36% decrease in traditional HME supplier locations since 2013 with 12 of Ohio's 88 counties having no supplier locations, and 21 counties with only one location.

We share these numbers to demonstrate the risk of access to HME services for all Ohioans, including Medicaid recipients, which should be a major concern to all payers and stakeholders. It is imperative to the stability of the HCBS benefit to ensure that there is access to home medical equipment and supplies so that the Medicaid beneficiaries may remain in their home. Without this necessary equipment, the home health benefit cannot be administered.

OAMES strongly believes in partnering with state regulators and legislators to address healthcare challenges. I am here today to ask for support to ensure HME providers can continue to serve those who are homecare dependent in their daily lives. Our members have been overlooked heroes during this public health emergency and we cannot continue operating in an environment with rising costs and fixed reimbursement without risking Ohioans access to these important home-based services.

Thank you for your consideration and the opportunity to be with you today. I'm happy to take any questions.

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