

**Before the House Children and Human Services Committee  
Testimony on House Bill 96**

**February 19, 2025**

Good afternoon, Chair White, Vice-Chair Salvo, and Ranking Member Lett. I am Pete Van Runkle with the Ohio Health Care Association. OHCA is a membership organization for providers across the spectrum of aging and disability services. Of relevance to this committee's consideration of HB 96, we represent assisted living communities, home care agencies, and hospice programs. We also count among our membership skilled nursing facilities and providers of services to people with intellectual and developmental disabilities.

We appreciate the opportunity to discuss with you the impact of the budget bill on aging services – or perhaps better said, the impact it could have. Last session's budget, HB 33, was remarkable for making bold strides to correct many years of underinvestment in services for our seniors and people with disabilities. Providers saw significant Medicaid rate increases that were specifically designed to allow them to pay higher wages for direct care workers, who are the backbone of these services and supports, attracting them into the workforce and giving them an incentive to stay. In turn, a stronger workforce allows providers to serve more Ohioans in need.

We are exceedingly grateful to the General Assembly and the DeWine Administration for what was accomplished in the last budget. The rate increases were substantial and broadly covered home and community-based services, particularly those involving hands-on care and supports. For context, when we refer to home and community-based services in this committee, we mean the PASSPORT program, the Assisted Living Waiver, the Ohio Home Care Waiver, the MyCare Ohio Waiver (which packages those three programs in a managed care environment), state plan home health and private duty nursing, and hospice services.

We also are grateful to the administration in the executive budget for not cutting back those desperately-needed rate increases to the extent they were funded in 2023 by one-time federal dollars under the American Rescue Plan Act (ARPA). We would note, however, that when the state made the decision to use ARPA funding in this way, it committed to sustaining the rate increases using other funding sources. The administration has followed through on this commitment, but that is all. Our request to this committee and to the General Assembly as a whole is to ensure that the results of the 2023 investment are sustainable.

The problem is that continuing the rate increases – that is, flat-funding them – is not the same as sustaining the additional workforce that the rate increases brought to aging and disability services. Workers expect periodic wage increases. We don't want to find ourselves back in a world where rates and wages stagnate for an extended period of time, requiring a large investment later to catch up. The system should allow annual, incremental rate increases to keep pace with the cost of providing services and allow providers to raise wages to maintain a stable workforce.

The rate increases and resulting higher wages from the last budget took effect January 1, 2024. Under the executive budget, direct care workers would not be looking at another raise until at least January 1, 2028, assuming the next budget provided an increase. Direct care workers would have to wait four years for a raise, when in other jobs, they could expect some kind of increase annually. We are concerned that without annual wage increases, the direct care workforce will begin to dissipate again, as they move to better-paying jobs where wages are not stagnant. As they go, so goes providers' capacity to serve the increasing number of Ohioans who need their services.

As stated in the Department of Aging's State Plan on Aging:

The largest population of adults ages 60 and older is expected in 2030, with 3,050,200 older adults in the state, an 8.4% increase from 2020. By 2040, Ohioans, ages 60 and older, will make up 25% of Ohio's total population. The proportion of Ohio's total population, ages 85 and older, is projected to increase at an even greater rate, growing 51% from 2020 to 2040.

That growth in the aging population started several years ago and is continuing now.

The HB 33 rate increases had an incredibly positive impact on services for seniors and people with disabilities. Taking just the PASSPORT and Assisted Living Waiver programs, for which we have high-quality, longitudinal data on the Department of Aging's [Medicaid waiver program data](#) web page, the impact is clear. Provider rate increases began January 1, 2024. During calendar year 2024, the number of people served in PASSPORT increased by 1,200, or 6.7%. Comparatively, the number of people served actually fell during the previous 12-month period, before the rate increases. The Assisted Living Waiver grew during the same period by 559 people served, or 17%, compared to only 3% during the 12-month period before the rate increases.

Looking farther back in time, these programs experienced more growth, in terms of people served, during the last year than across the previous 4 years combined. For the entire period from July 2019 to December 2023, the number of people served in PASSPORT grew by only 200, while during the same period, people served by the Assisted Living Waiver decreased by 1,144. This period saw only very minimal rate increases, making it difficult for providers to serve the growing need.

For assisted living in particular, the goal of the rate adjustments in the last budget was to increase access to affordable assisted living by attracting more providers to build facilities dedicated to serving the Medicaid population or shift their model to include more Medicaid residents. Adequate rates to make developing affordable assisted living properties economically feasible are critical to increasing access. Following the rate increases in January, 2024, we saw nearly 10% growth in the number of affordable assisted living providers in Ohio, but more are needed to meet demand. Developers need sustainable revenue from the waiver program to support the long-term financial commitments needed to construct affordable assisted living communities and bring more business to Ohio.

To meet the growing need for services, maintain stability in the direct care workforce, and support provider service capacity, we are proposing an amendment to HB 96 that would provide modest rate increases to home and community-based services providers, effective January 1, 2026, and January 1, 2027. These rate increases would be small, only 3.4% and 2.3% respectively, but would allow providers to offer wage increases that would keep them competitive in the job market. The annual wage increases would be only \$0.61 and \$0.43 per hour, but would be very helpful to low-wage caregivers who are struggling to make ends meet.

In addition, we are proposing to add language to the Revised Code that would provide a long-term solution. Instead of the General Assembly having to deal with this issue in each biennial budget bill, we recommend giving statutory authority to the Departments of Aging and Medicaid to adopt rules prescribing a methodology for annual updates to provider rates. These updates would be based on data measuring changes in the cost of delivering services. The state agencies would gather and analyze the data from Ohio providers to determine the percentage of cost growth, which then would be applied to provider rates. The amendment also would fund the agencies' administrative costs in developing and operating the system, which would take effect January 1, 2028. By spreading the rate increases out year by year, this system would provide stability and predictability and would prevent lapsing into a crisis environment like we saw in the last budget.

The amendment also includes two features applicable to specific types of HCBS providers:

- It would establish retainer payments for Medicaid assisted living communities that would allow a resident to be away from the community for up to 30 days per year for medical reasons, vacations, or visits with family without losing their apartment.
- It also would correct the gap in Medicaid payments for hospice patients who reside in skilled nursing facilities. Currently, Medicaid pays a hospice 95% of the facility's daily rate, but it must pay the facility 100%. The amendment would adjust the Medicaid payment to 100% of the skilled nursing facility's rate.

On behalf of all Medicaid residents in Ohio's assisted living communities, skilled nursing facilities, and intermediate care facilities for individuals with intellectual and developmental disabilities, we very much appreciate and support the executive proposal to increase residents' personal needs allowances from \$50 to \$100 per month. The allowance, which is all residents keep out of

their monthly income to spend on personal items (e.g., beauty or barber shop services), has not increased in many years. It is high time our seniors and people with disabilities had a little more freedom.

I'd like to return to the topic of workforce to discuss a second amendment we are proposing. This amendment would create, within the Department of Aging, a new program to improve the skills of Ohio's direct care workers. Medicaid rate increases would sustain the workforce, while this program would work hand-in-hand with the rate increases by helping workers obtain credentials for completing advanced training. Modeled on the state's successful TechCred program, this initiative not only would lead to better care for seniors and people with disabilities, but it also would provide a pathway for career advancement and job retention.

We urge the committee to support these critical investments to fulfill our collective responsibility to provide care and support for our seniors and people with disabilities. They are among the core populations that depend on the Medicaid program. They deserve a strong infrastructure to support them when they need it most.

Thank you for your attention this afternoon. I would be happy to answer any questions that you may have.