



Joint Medicaid Oversight Committee
Chairman Tom Patton
Visiting Nurse Association of Ohio, Lisa Von Lehmden Zidek
December 9, 2021

Chairman Patton, Ranking Member Antonio and members of JMOC, thank you for the opportunity to testify today. My name is Lisa Von Lehmden Zidek and I am President of the Visiting Nurses Association (VNAO) of Ohio. As I discussed at JMOC in September, it's no secret that the home care industry is facing a challenging business environment. Today I am here to follow up on my previous testimony to recommend for your further consideration and discussion a pilot project funded with ARPA resources in which VNAO, either independently or in conjunction with other larger Medicaid home care providers, would provide meaningful appropriate home care at a fair rate with improved outcomes which can provide data for future policy decision-making. We recognize there are many challenges for the Medicaid program, but for context I want to highlight three major issues related to home care to briefly illustrate for JMOC the importance and need for this pilot program:

- 1) **Home Care Medicaid Reimbursements are Less than Cost to Provide Care:** On average VNAO's daily census is 740 patients under the home care benefit, 36% of which are Ohio Medicaid. Of the Ohio Medicaid patients, 70% are reimbursed at less than \$55 per visit;
- 2) **Costs to Provide Care Continue to Rise:** VNAO's average cost per visit has risen from \$93 in July to \$98 in October, and;
- 3) **Medicaid Patients More Likely to be Readmitted into a Hospital:** 13.1% of the episodic population readmits into a hospital system, while 19.7% of the Medicaid population readmits into a hospital system.

The combination of these issues cascade together into a significant problem: over 1/3 of our patient population is reimbursed at 50% of our costs to provide care. As stated in my September JMOC testimony, we are grateful for the action taken by the General Assembly and DeWine Administration to provide a desperately needed rate increase to home and community-based providers. However, despite this increase the resources for home care are still not able to cover the costs to provide care which, quite simply, is not sustainable for providers over the long term.

Finding home health agencies and workforce to serve the Ohio Medicaid population is increasingly challenging. Between hospitals and skilled nursing facilities, case managers and discharge planners are oftentimes forced to make a decision to send folks home without care or keep them on service for longer than necessary. For VNAO's Medicaid population of 36% we are roughly 6%-9% higher than where we can functionally sustain operations over the long term. If VNAO decreased 10% of its population, this would mean an average of 25 to 30 patients would not be getting the home care services they need. In fact, even some of our commercial payers are actually attempting to renegotiate rates down during this critical time of frontline shortage.

In late September, the day before my last JMOC testimony, VNAO instituted a retention bonus for all of our Ohio Nurse Association RNs including \$2 per hour increase for a one year contract extension, and \$3

per hour increase for a two-year contract extension in an effort to retain our workforce. This is a simple example that highlights the rising cost of care for providers which directly impacts our bottom line. In July, we were reporting an average cost per visit of \$93. In October, the average cost was \$98. In addition, traveling nurse organizations are able to come into our markets, recruit our workforce, and offer on average between \$95 and \$110 per hour in hospital and skilled nursing facilities. Flooding these organizations with more dollars will continue to decimate the workforce of home care providers as we quite simply are straining to remain competitive.

Our clinicians are priceless. They are the heartbeat of our mission. But as policymakers, please recognize the Medicaid policies in place today disincentivizes more cost effective home care compared to other more costly settings. What prevents intelligent operating teams from taking workforce dollars to build teams with no incentive to serve certain vulnerable populations in home care settings when the marketplace incentivizes more costly forms of care? We are seeing this play out today and it will continue unless there is a more concerted effort to impact these rates.

As all Ohioans recognize, costs are on the rise, and because this patient population has a higher level of needs the readmission rate is rising as well. In home and community based services, we understand how to maximize limited resources and maximize our care plan resources. Remember this population generally has greater needs based on social determinants of health, but oftentimes have less access to quality care. The care that VNAO is able to provide under the episodic model has proven to be effective for patient outcomes which is evidenced by our 13.1% readmission rate which is less than state and national averages. However, it should come as no surprise that when the cost to provide care is almost double the actual reimbursement rate that the Medicaid readmission rate is closer to 20%.

All this is to say that the state of Ohio needs to explore strategic investments to provide more sustainable models of care, and home and community based services is a key area to make many significant and cost-effective improvements for its citizens. Again, we recommend a pilot project in which VNAO, either independently or in conjunction with other larger Medicaid home care providers, to provide meaningful appropriate home care at a fair rate. We believe through an ARPA funded pilot program we can provide cost effective, compassionate home-based care with improved outcomes and data to better inform future policy decision-making. VNAO and all other providers of home and community based services look forward to continuing this discussion with JMOC, members of the General Assembly and the Administration in a partnership to find solutions that promote sustainable care model for years to come. We firmly believe the state will see better, more cost-effective outcomes with individuals able to receive care in a place they want to be the most: their homes. VNAO has a passion for its mission and wants to partner with the state of Ohio to provide innovative, compassionate care for one of Ohio's most needy patient populations.

Once again, Chairman Patton and members of JMOC, thank you for allowing me to testify today. I am available to answer any questions.