



November 9, 2021

The Honorable Mike DeWine
Governor, State of Ohio
77 South High Street, 30th Floor
Columbus, OH 43215

Re: Enhanced FMAP Spending Plan for Home and Community Based Services (HCBS) under the American Rescue Plan Act (ARPA)

Dear Governor DeWine:

We write you today with great urgency and concern on behalf of the hundreds of Ohio businesses we collectively represent. These businesses employ thousands of Ohio workers. We also write on behalf of all 88 county boards of developmental disabilities. Together, we are responsible for ensuring the health and safety of more than 95,000 Ohioans with disabilities.

Over the past two years, we have worked closely with your administration to confront countless challenges resulting from the pandemic. For this reason, it is our sincere hope that bringing our concerns directly to your attention might convince you to address the critical shortcomings of Ohio's proposed American Rescue Plan Act (ARPA) Enhanced FMAP Spending Plan for Home and Community Based Services (HCBS).

Our system is facing a perfect storm of devastating challenges. In addition to dealing with the ongoing impact of the pandemic and the daily struggle to ensure the health and safety of those immunocompromised and medically fragile Ohioans we support, we also find ourselves in the middle of the worst workforce shortage in the history of our system. We anticipate this shortage will reach catastrophic levels once federal vaccine mandates take effect, starting in less than 30 days.

We know we are not alone in our struggle to recruit and retain employees in Ohio; however, we are unique among other industries currently unable to find workers in a number of ways. Whereas businesses in other sectors can raise prices or cut expenses in order to be able to afford higher employee wages, businesses in our system are totally reliant upon state Medicaid reimbursement rates for revenue. There is no "free market" for developmental disability services in Ohio—we are statutorily prohibited from raising our prices, and we cannot meaningfully reduce our expenses without denying services to hundreds, if not thousands of families.

Our system's ability to survive is entirely dependent on decisions made by your administration and the Ohio General Assembly. We are facing an existential threat, and we need your help.

As it is currently written, Ohio's ARPA spending plan inadequately responds to the feedback provided by our system's stakeholders related to the workforce crisis. It fails to maximize the immediate impact these federal dollars can have on Ohio businesses and the tens of thousands of people they support.

Almost every other state has had their ARPA plan approved, most having submitted their proposals earlier this year. As one of only three states that does not have any formal approval from CMS, Ohio has fallen behind in appreciating the gravity of the situation that Ohio's various HCBS systems are grappling with on a daily basis.

We are committed to maintaining our productive and positive working relationship with your administration. We believe that you and your HHS cabinet directors are committed to doing what it takes to address this crisis and will work with us as we try to stave off disaster. Employers in our system are in desperate need of the temporary financial relief that federal ARPA funds can provide. We beg you to hear their pleas and revisit your administration's plan as soon as possible.

In particular, we ask that you consider modifying Ohio's proposed ARPA spending plan in the manner we have set forth in the attached documents.

Our system is nearing a point of no return if we do not take significant, immediate, sweeping actions to address the workforce crisis. These one-time federal funds can offer our system a temporary lifeline as we continue developing additional solutions, but only if they are used to their maximum potential.

We welcome further discussion with you on this topic at your earliest convenience. Together, we can ensure a positive future for Ohioans with developmental disabilities and the thousands of dedicated professionals who keep them healthy and safe.

Sincerely,



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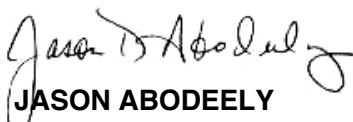
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cc: Hon. Robert Cupp, Speaker, Ohio House of Representatives
Hon. Matt Huffman, President, Ohio Senate
Members, Ohio General Assembly
Director Maureen Corcoran, Ohio Department of Medicaid
Director Jeff Davis, Ohio Department of Developmental Disabilities

Attachment: DD Stakeholders Revised Spending Plan for HCBS Enhanced FMAP Funds
(Narrative Description and Table of Funds) (3 pages)

DD Stakeholders' Revised Spending Plan for Home and Community Based Services (HCBS) Enhanced FMAP under the American Rescue Plan Act (ARPA)

Narrative Description

1. **Immediate Relief to HCBS Providers.** This area is the most critically-needed use of the ARPA HCBS money because it funds actual provision of services to people—services that are threatened today by the staffing crisis. It also generates the most federal matching funds (ARPA money spent on Medicaid services generates additional federal match), especially if the expenditure occurs before April 1, 2022. Our revised plan increases the first-year spend from 10% to 20% of each HCBS provider's annual Medicaid payments. It also continues the payments at the 10% level for the second and third years. The staffing crisis, which drives the need for funding to allow providers to pay higher wages, will not end any time soon. The additional two years of funding draws down federal match at the service rate (65%) and provides a bridge instead of a cliff until HCBS funding under the Build Back Better Act is available.
2. **Workforce Development Strategic Fund.** We originally proposed \$75 million for this fund, which we believe to be sufficient to pay for projects identified in the future through stakeholder workforce crisis task forces. We also believe that this money should be deployed in a way that maximizes federal match, if possible. While the items listed in the state's plan may be good ideas, they are too vague to cost out reliably, largely do not qualify for match, and may not end up being selected as providing the most "bang for the buck." Given the contingent nature of this item, we continue to believe that \$75 million is sufficient.

The section on system supports for workforce is a subset of things that should be covered by the Workforce Development Strategic Fund. These items, if determined to be helpful, would be subsumed into the Strategic Fund.

3. **Technology Enhancements.** Our revised plan zeroes out this section. Most of these proposals relate to state agency infrastructure. None of them fund provision of Home and Community Based Services to the people we support. They should be addressed in the state budget, not through ARPA funds. Essentially, these items are an administrative wish list that was not funded in HB 110. Some of the technology items related to services, such as telehealth and remote monitoring, can be covered by existing Medicaid appropriations and the relief payments to providers.
4. **Other Program and System Enhancements.** This section of the state's plan is divided into multiple subsections: gaps in services; PACE; supports for individuals and informal caregivers; disparities and social determinants of health; multi-system youth; and developmental disabilities enhancements. The gaps in services items are unnecessary (e.g., hiring a consultant for stakeholder discussions about MyCare Ohio), extremely vague (e.g., development of a full behavioral health crisis continuum), or insufficiently vetted (e.g., adding a personal care benefit to the state Medicaid plan). They do not justify diverting millions of dollars that can be used to support existing HCBS, allowing additional people to be served. Moreover, if brand new services are introduced, they will require ongoing funding outside the scope of ARPA.

PACE: We support expanding PACE—an existing program—but cannot fathom allocating \$50 million in unmatched funds simply for start-up costs (i.e., no actual services would be provided under the state's proposal). Our revised plan includes \$3 million in start-up costs plus matchable service costs for the first year of operation with a total of 150 people served.

Supports for Individuals and Informal Caregivers: We agree with supporting informal caregivers, as they reduce the strain on the formal support system. The items listed in the state's plan, however, do not justify the massive expenditure of largely unmatched funds. Either they are expansions of administrative activities that have shown little benefit (such as options counseling) or new administrative activities of unknown value to caregivers. None of the proposals actually support informal caregivers by approaches like paying them for their work or giving them tax credits. Accordingly, the revised plan zeroes out this spending item and transfers the dollars to direct support of HCBS providers.

Eliminating Disparities and Social Determinants of Health: Under the eliminating disparities topic in the state's plan, only the piece relating to primary care appears to be about actual service delivery. The other items are administrative in nature. Accordingly, our revised plan retains \$7.5 million in funding with the Medicaid service match instead of the administrative match.

Multi-System Youth: We support the multi-system youth residential services proposal in the state's plan and maintain funding for this initiative in our revised plan.

JOINT ARPA HCBS Proposals	State of Ohio Proposed: Total Funding (w/Match)	State of Ohio Proposed HCBS Allocation (State Share)	DD Stakeholder Revised Proposal: Total Funding (w/Match)	DD Stakeholder Revised HCBS Allocation (State Share)	Increase/Savings Total	Increase/Savings State Share
1. Immediate Provider Workforce Relief						
Provider Workforce Support Funding	\$469,552,919	\$164,343,522	\$939,105,838	\$176,551,898	\$469,552,919	\$12,208,376
Second Year			\$469,552,919	\$164,343,522	\$469,552,919	\$164,343,522
Third Year			\$469,552,919	\$164,343,522	\$469,552,919	\$164,343,522
Subtotal Provider Relief	\$469,552,919	\$164,343,522	\$1,878,211,676	\$505,238,941	\$1,408,658,757	\$340,895,419
2. Workforce Support - Sustain and Expand						
HCBS Workforce Development Strategic Fund	\$212,000,000	\$212,000,000	\$75,000,000	\$37,500,000	-\$137,000,000	-\$174,500,000
System Supports for HCBS Workforce	\$18,000,000	\$9,000,000	\$0	\$0	-\$18,000,000	-\$9,000,000
Subtotal Workforce Support	\$230,000,000	\$221,000,000	\$75,000,000	\$37,500,000	-\$155,000,000	-\$183,500,000
3. Technology Enhancement						
Improvements in Information Technology and Program Infrastructure	\$20,000,000	\$10,000,000	\$0	\$0	-\$20,000,000	-\$10,000,000
Using Telehealth and Technology to Support Individuals in the Community	\$15,000,000	\$7,500,000	\$0	\$0	-\$15,000,000	-\$7,500,000
Developmental Disability Technology Advancements	\$20,000,000	\$10,000,000	\$0	\$0	-\$20,000,000	-\$10,000,000
Subtotal Technology Enhancement	\$55,000,000	\$27,500,000	\$0	\$0	-\$55,000,000	-\$27,500,000
4. Other Program and System Enhancements						
Address Gaps in Services	\$27,500,000	\$13,750,000	\$0	\$0	-\$27,500,000	-\$13,750,000
PACE Expansion	\$50,000,000	\$50,000,000	\$8,400,000	\$3,705,000	-\$41,600,000	-\$46,295,000
Supports for Individuals Receiving Services and Informal Caregivers	\$63,000,000	\$56,500,000	\$0	\$0	-\$63,000,000	-\$56,500,000
Eliminating Disparities and Addressing Social Determinants of Health	\$20,000,000	\$10,000,000	\$7,500,000	\$2,625,000	-\$12,500,000	-\$7,375,000
Multi-System Youth	\$33,500,000	\$11,725,000	\$33,500,000	\$11,725,000	\$0	\$0
Developmental Disability Enhancements	\$15,500,000	\$7,750,000	\$3,000,000	\$1,500,000	-\$12,500,000	-\$6,250,000
Subtotal Other Programs and Enhancements	\$209,500,000	\$149,725,000	\$52,400,000	\$19,555,000	-\$157,100,000	-\$130,170,000
Grand Total	\$964,052,919	\$562,568,522	\$2,005,611,676	\$562,293,941	\$1,041,558,757	-\$274,581