

TO: OHCA Members

FROM: Peter Van Runkle, President & CEO
M. Todd Bergdoll, Director of Legislative Services

MEDICAID FUNDING UNDER FIRE Act Now: Schedule Legislative Visits!

Governor Taft's executive budget would cut nursing home rates by an additional 3% beginning July 1, 2005. This is not a reduction in growth; it is a real cut from current rates, which were already lower than they should have been over the last two years. The Governor's proposal will cost Ohio nursing homes \$499 million for the biennium, compared to the rates that would be set under the statutory formula. The Governor has also called for elimination of the ICF/MR benefit, and has proposed taking the reimbursement formula out of Ohio statute and giving the executive branch unilateral control over rates.

OHCA is asking members to invite Ohio legislators into nursing homes and ICFs/MR to show them the medical, social and spiritual environment that is today's long-term care facility. Our representatives and senators need to see the needs of your residents and families and to meet the individuals who care for them on a day-to-day basis. It is critical that we renew our efforts to meet with members of the General Assembly during the 2005 state budget battle.

There are powerful forces lined up against Ohio's long-term care community. Many other businesses and interests depend on the state budget, just as we do. They are fighting hard to reverse their own cuts, or to secure tax reductions that deplete long-term care funding. In addition, the Taft Administration believes that funding for facility-based care should be reduced to allow increases for home and community-based care.

The most effective counter to these efforts is educating legislators on how important long-term care facilities are to their constituents. This year, more than ever before, your colleagues, your employees, and the people you serve need you to stand up and show your elected officials that long-term care facilities provide a vital service to the community and to needy Ohioans!

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Act Now: Schedule Legislative Visits!

How to Begin

We encourage you to give your elected representative the opportunity to visit your facility and speak to staff, residents, and other members of the community. The visit could be tied to an open house or other activity; however, this is not a necessity. Many legislators welcome the chance to visit their constituents when they are in their district.

Your Message

Our goal is to establish an emotional connection between the legislator and your facility.

This is your opportunity to let your elected senator and representative know how difficult it has been to deal with the funding reductions that have occurred since July 2003, and how concerned you are about your ability to absorb the additional cuts proposed by the Governor. Explain how efficient providers have been affected by previous cuts and by the additional proposed reductions.

Concentrate on what you know -- the impact of the cuts on your business, employees, and residents. You should express your fears and concerns about the Governor's proposal, which asks for a 3% reduction from today's rate.

OHCA and the other two long-term care trade associations are requesting reasonable increases in per diem rates for nursing homes and ICFs/MR. If you feel comfortable with discussing additional detail on our proposal for additional funding, we can provide you with that information. Otherwise, feel free to refer the legislator to Todd Bergdoll (614-306-5574, mbergdol@columbus.rr.com) or to tell the legislator you will get more information and forward it to him or her.

As with any legislative visit, but in particular during this crucial time, OHCA encourages you to personalize your story while focusing on two key areas: the growing acuity of the residents you serve and how further reductions will have a direct impact on jobs and your residents and families. You are trying to create or reinforce connections between the legislator and the facility, through the constituency the legislator serves.

I. Suggested Key Messages

- a. Governor Taft's proposed cuts to Medicaid rates will be devastating financially to my facility. I care about my residents and their families, and I want to continue delivering quality care, despite the recent reductions of 6% and 4% as a result of the last state budget. An additional rate cut of 3% on top of these cuts jeopardizes the quality of care I can deliver.
- b. Some of my costs like food, mortgage, and utilities are relatively fixed, while other costs, like workers compensation, health insurance and liability insurance continue to rise dramatically. The cost of caregivers and other staff, which is not fixed, makes up most of my expenses. If forced to reduce staff as a result of further Medicaid rate cuts, I am afraid that the quality of care we provide may suffer.

II. Ways to Personalize Your Story

The key is to explain the specific impact a cut would have on your facility, your residents, your employees, and your community. Explain any actions you have taken to adjust to the past two rounds of cuts. Did you freeze pay, eliminate some employee vacation days/perks, or eliminate positions? Then, discuss your concern about your ability to get through any additional cut.

It is also important to connect the legislator to particular residents, family members, and employees. This puts a face on what otherwise might be viewed as a money issue.

III. Concluding Your Story

OHCA feels strongly that during these facility visits, your valuable role and responsibility is to articulate and personalize the problem. In concluding your facility visit, we encourage you to make the following statements:

- a. **Please support adequate Medicaid payment rates for nursing homes and ICFs/MR.**
- b. **All our residents and employees are depending on you to do the right thing.**

Thank you in advance for taking this important step to fight for the long-term care community! Should you have questions about arranging legislative visits, please contact Susie Blair (sblair@ohca.org) 614/540-1332.

Please also remember to attend our free Capitol Conference on March 8 in Columbus for additional opportunities to learn about the proposed budget bill and the provider associations' response, and to interact with your legislators in their offices.

Answers to Possible Questions from Legislators

These questions all deal with state-level policy issues. After answering them briefly in the manner suggested below, shift the conversation back to your facility, residents, community, etc. The focus needs to be kept local, as much as possible. Contact the OHCA office (Susie Blair, sblair@ohca.org, 614/540-1332) on any items requiring follow-up.

1. **Question:** Medicaid spending is out of control and we have to do something to stop it. What can we do if we don't cut nursing home payments?

Answer: We have to find ways to encourage people to pay for their own long-term care, or to buy insurance for it. The answer is not to drive down quality. There are other areas of Medicaid that have been growing much faster than long-term care, primarily because many more people are on the Medicaid rolls. Nursing homes and ICFs/MR are not to blame.

2. **Question:** The Governor says it's not fair that nursing homes receive automatic rate increases when other Medicaid providers don't. Why is that the case?

Answer: My rate doesn't go up automatically; it only increases when I have to spend more to deliver the quality of care my residents deserve. For example, last year I was having trouble finding a nurse for the 3-11 shift, so I had to offer \$5 more an hour to compete with the local hospital and home health agency.

3. **Question:** The Governor says Ohio pays nursing homes much higher rates than other states. Why should we allow that to continue?

Answer: Ohio has been more committed to making sure its seniors receive quality care. I truly hope that commitment isn't coming to an end just because we are in tough budgetary times.

4. **Question:** The Governor says Medicaid is paying for empty beds. What do you say to that?

Answer: I don't get paid for empty beds – it would be great if I did! Medicaid only pays me if a Medicaid resident is in the bed. There is a small impact on rates when a facility has less than 100% occupancy, but remember that providers pay the franchise fee on empty beds.

5. **Question:** The Governor is proposing to take the nursing home payment system out of statute and give the executive branch more flexibility. Isn't this a good idea?

Answer: We think the legislature is much better suited to determine the policy issues involved in such a large program, and the proper levels of state funding. The executive branch should not have the authority to unilaterally impose cuts whenever they want. This destroys the predictability and stability of the system.

6. **Question:** Wouldn't it be cheaper if we moved people out of nursing homes and into home care?

Answer: You've seen our residents. Do you think they could be safely taken care of at home?

Ohio Health Care Association
Facility Tour Response Form

Please answer the questions below about your meetings with members of the Ohio General Assembly and their staff. Return this form to Susie Blair at the Association office.

1. Your Name _____
Facility _____
City _____
Phone _____
Email _____

2. With whom did you meet to discuss long-term care issues?
Representative _____
Senator _____
Other: _____

3. How would you rate the meeting? ____ Excellent ____ Good ____ Poor

4. Did the legislator or staff have an understanding that a rate cut will directly impact the number of facility staff and the quality of care provided to residents?

____ Yes ____ No

5. Briefly comment on the visit:

5. Is follow up necessary by OHCA staff? ____ Yes ____ No
If yes, on which issue? _____

Please fax or mail this form to:
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55 Green Meadows Drive South, Lewis Center, Ohio 43085
FAX: 614/436-0939 Phone: 614/436-4154