TO: OHCA Members  
FROM: Joan Reidy, Chairman  
SUBJECT: Medicaid Budget Action

**IMMEDIATE ACTION REQUIRED!**

Governor Taft’s FY’04 – ’05 budget proposes a two-year freeze in Medicaid payments resulting in a cut of more than $500 million, cuts in optional Medicaid services (dental care, chiropractic, podiatry, vision), and removal of the Medicaid nursing home and ICF/MR reimbursement formula from statute, thus putting it in the hands of the bureaucrats at the Ohio Department of Job and Family Services. These proposals would have a devastating effect on long-term care providers and their residents. OHCA is urging your immediate participation in a campaign to generate letters from your staff and resident families to your elected Ohio Representatives and Senators.

Enclosed with this letter is a fact sheet outlining the impact of the Governor’s proposals; a template to be used by your staff members in writing a letter to their legislators; and a spreadsheet you can use to calculate the impact of the governor’s proposals on your facility so that you may better explain the situation to your staff (go to www.ohca.org/uploads/datatables/calculator.xls for an Excel version of the spreadsheet, or contact Barry Jamieson at the OHCA offices).

We urge you to discuss the situation with your employees, explain the impact these proposals would have on your facility, its employees and residents, and ask them to write personal letters to their legislators using the enclosed template as a guide. This is best done in small groups at the facility, with the administrator available to tutor and answer any questions on how to write the letter and the impact these cuts would have on employees and residents. You may even wish to provide them with pens and paper. Handwritten letters – as opposed to typed form letters – are the most effective way to have an immediate impact, and we hope to generate thousands of letters from caregivers across the state. We ask that you gather these letters and mail them, using stamps instead of postage meters. Let OHCA know how many letters were mailed, and to which legislators.

If you do not have the information at hand, you can locate your legislators online by entering your zip code at www.legislature.state.oh.us/. Or, you may contact Susie Blair at the Association offices for assistance (614/540-1332). You should be prepared to provide these names to your employees as they write their letters.

In the coming weeks, you will also receive a binder containing additional information on the Governor’s proposed budget, OHCA’s position statements, and additional background material. This binder was presented to participants at the OHCA Capitol Conference, which was provided by the Association as a free program on March 11 in Columbus. You may want to add this information to the binder when it arrives.

**Because the budget bill is moving quickly in the legislature, it is important that you act immediately.**

Should you have questions regarding this request or any of the materials, please contact Jamie Young, Barry Jamieson, Stephen Mould or Diane Dietz at the Association offices. Your participation is critical to our success in this effort!
Governor Taft Calls for $500 Million in Medicaid Cuts to LTC
Letter Writing Instructions

Dear Co-Worker:

As your administrator, I am asking that you take a few minutes to write a letter to your elected representatives in the Ohio House of Representatives and the Ohio Senate to oppose Governor Taft’s proposal to cut the Medicaid dollars we need to care for residents and pay our staff. Your hand-written words can make a real difference in the thinking of our state legislators who look to us, their constituents, to help them make the right decisions on difficult issues. They count on us to share our opinions, especially on issues that we know the most about – how to provide quality care to our brothers and sisters, parents and grandparents.

By telling your legislators what kind of work you do, and how Governor’s Taft’s cuts could affect you and the people you care for, you are doing your part to help them make truly informed decisions.

When writing your letters:

- Make them hand-written. Typed letters look like form letters written by other people.
- Keep them short and clear, and use your own words.
- Address letters to your own legislators. I can provide you with their names and other information you will need.
- Tell them the name of our facility, the city where it is located and, most importantly, about the work that you do here.
- Tell them how many people you care for day in and day out.
- Briefly explain the impact a two-year freeze in Medicaid funding would have from your perspective. For example, what would it mean to you if you did not receive raises for two or more years because of Gov. Taft’s proposals? How would it impact your family personally, and how would it impact those you care for in this facility? You might say something like – “Because of Gov. Taft’s two-year rate freeze, there may not be enough money for staff raises and we may lose good staff. I’m worried that we won’t be able to keep the workers we have and find qualified new people to give quality care.” Be honest and put it in your own words. Don’t be mean or make threats, just explain how you and the residents would be affected by the governor’s proposed budget.
- Finally, tell the legislator what you want him/her to do: protect Medicaid funding for long-term care from any budget cuts and vote against Gov. Taft’s proposal that threatens the quality of long-term care for seniors and people with mental retardation.

I will be happy to collect and mail these for you so you do not have to pay the postage.

Addressing Your Letters

For State Senators use:

The Honorable (First Name)(Last Name)
Ohio Senate
Statehouse
Columbus, OH 43215
Dear Senator (Last Name):

For the House of Representatives use:

The Honorable (First Name) (Last Name)
Ohio House of Representatives
Statehouse
Columbus, OH 43266-0603
Dear Representative (Last Name):
Governor Bob Taft’s proposed two-year freeze on long-term care rates, including ICF-MR providers, is an affront to quality care for the elderly and disabled citizens of Ohio. Our efforts over the years to continually improve the care provided in nursing facilities are threatened by the Governor’s budget plan. This is a huge step backwards for our residents.

Governor Taft is also proposing to eliminate the following optional Medicaid services for adults (including seniors in long-term care facilities and ICFs/MR): dental, chiropractic, vision, psychology and podiatry.

In most Ohio nursing facilities, the Medicaid program funds 70 percent of resident care; in ICFs/MR it is 100 percent. Governor Taft is proposing that Ohio should break the promise that has been made to our residents to care for them once their life savings have been depleted.

Seventy-five percent of a facility’s costs go toward hiring and maintaining a professional health care workforce. If cuts happen, it is very likely they will affect the level and amount of staff available in nursing facilities. As a result, many industry leaders expect staff layoffs in our nursing facilities and ICFs/MR.

The proposed cuts will make it harder to recruit and hire qualified staff to care for those who truly cannot care for themselves. The long-term care profession in Ohio has undertaken a coordinated effort to attract new employees but this is jeopardized when state budget cuts are threatened.

Governor Taft’s “freeze” of Medicaid reimbursement represents a retroactive cut because payment rates are adjusted based on the previous year’s costs. This will amount to more than $10 per resident per day in the first year and more than $19 per resident per day the second year.

The Governor’s proposed reduction is more than half a billion dollars in Medicaid funding to nursing facilities and ICF-MRs (state and federal support combined over the next two years). As an example, if those cuts were applied just to nurse aides, it would be the equivalent of the loss of 8 nurse aides in the average home. Put another way, it would equal a reduction of about 4 RNs the first year and almost 8 the second year in the average home. But, setting aside dollars and big numbers, we cannot and should not, forget the impact these cuts will also have on our resident families.

Cuts may also mean the resident living environment will not be as tidy or orderly, and necessary remodeling may not be done. It will also likely mean less non-clinical support staff and fewer resident events and activities. The Governor’s cuts mean residents will go without some dental, vision, podiatry, psychological and other important services.

Residents requiring extensive treatment and technologies such as dialysis will feel one of the most significant impacts, as they will likely no longer be admitted. The “frozen” Medicaid rate will not be adjusted to account for the facility’s cost of providing care for these individuals. As a result, facilities will be less likely to admit expensive customers, who will have to stay in hospitals longer.

Some long-term care facilities may close, and their residents may have to move farther from family and friends. Again, the progress that has been made to improve the quality of care for our residents will suffer.

The Governor says Ohio pays too much for Medicaid compared with other states. The state shouldn’t turn its back on its commitment to quality care for Ohioans just because we are in tough budgetary times. Our residents need and deserve the high quality of care they have come to expect.

Please urge your staff and concerned families to call, write, or e-mail their elected state representatives and senators and tell them how Governor Taft’s proposals are bad news for their residents and loved ones, and to keep the commitment to long-term care.