



Sustaining and Enhancing Ohio's Workforce for Home-and Community-Based Services SFY24-25 Budget Proposal

Overview

More than 170,000 providers across Ohio—ranging in size and diversity—serve Medicaid members, from large hospital or nursing home companies to community mental health agencies and independent providers of in-home services. The partnership between Ohio's Medicaid agencies [Ohio Departments of Mental Health and Addiction Services¹ (Ohio MHAS), Medicaid (ODM), Developmental Disabilities (DODD), and Aging (ODA)] and its network of providers is critical to ensuring reliable and timely access to care that improves quality of life, supports recovery and independence for individuals, strengthens families, and sets Ohio's children and youth on the best possible path so they can grow up to lead healthy, successful lives.

Staffing challenges that existed across the spectrum of health care providers prior to the COVID-19 pandemic were only exacerbated. Constriction in the workforce with business closures, earlier-than-planned retirements, changing recruitment pressures and the desire for hybrid work-at-home options added to the turnover and hiring pressures. While telehealth, remote monitoring and other uses of technology have helped, the technology cannot replace care provided directly for individuals.

Unlike Medicare, Medicaid rates for most types of providers are not regularly adjusted for inflationary and environmental factors. From 2020-2022, the DeWine Administration and the Ohio General Assembly provided swift and targeted one-time relief payments to providers using several federal sources. While that relief was welcome, it did not create a permanent fix to wage pressures and the difficulty attracting individuals for essential positions.

Workforce challenges have hit providers in the home and community services area particularly hard. In response to the unprecedented economic impacts of the pandemic, severe healthcare staffing shortages and the growing chorus of need, the DeWine Administration, is proposing a fiscally responsible, comprehensive realignment of reimbursement rates for its direct care staff. Wage growth and career opportunities can facilitate economic mobility and stabilize Ohio's health care workforce as a primary contributor to the overall health and wellbeing of Ohio's families, workforce, and economy.

¹ The budget proposal regarding community behavioral health providers is addressed in a separate white paper.

Medicaid waivers allow individuals with disabilities and chronic conditions to receive care in their homes and communities rather than higher costs of care settings. These waivers also allow individuals to have more control over their care and remain active in their community.

To qualify, individuals must meet a specific level of care (LOC) and certain financial criteria. Ohio currently operates seven Home- and Community-Based Services (HCBS) waivers spread across three agencies. The table below summarizes Ohio’s experience with these waivers.

Names of the waivers	Individuals who are intellectually and developmentally disabled. (DODD waivers)			Individuals served in an ICF-IID (DODD)	Individuals who are elderly, physically, and developmentally disabled. (ODM and ODA waivers)			
	Individual Options	Level One	Self		MyCare	Ohio Home Care	Passport	Assisted Living
Capacity Number of People	28,300	19,766	3,600	4,286	38,262	10,212	37,863	5,583
Total	Total 51,666			4,286	Total 89,920			
Average cost of waiver	\$65,810	\$11,400	\$14,780		Managed Care ²	\$17,220	\$10,723	\$11,587

Policy Proposal

The SFY24/25 biennial budget proposal aims to meaningfully raise the amount direct care workers take home each paycheck.

The table below displays the waiver services targeted for increase in this budget. This includes all seven of the HCBS waivers and similar nursing and aide services, as well as ICF-IIDs. The chart below reflects aggregated expenditure increases and it’s important to note that individual service increases may vary. The Administration proposes implementation beginning January 1, 2024.

Type of Service	FY24/FY25 Increase (in millions)	Average % Rate Increase
Private Duty/Waiver Nursing/Home Health Nursing	\$82.0	19.9%
Personal Care/Aide	\$861.1	20.8%
Adult Day Services	\$62.4	9.9%
Home-Delivered Meals	\$24.6	22.2%

² Waiver, nursing facility and other community services are all incorporated into the managed care capitation rates.

Assisted Living	\$85.7	48.0%
Other Waiver Services	\$4.2	7.6%
ICFs for Individuals with Intellectual Disabilities	\$97.2	8.2%
Total	\$1,217.2	19%

When considering the needs of the individuals who receive these services, this breaks out as follows:

HCBS and ICF Rate Increase by Needs of Individuals Biennial Total

Service Type	Individuals who are intellectually and developmentally disabled. (DODD waiver)		Individuals who are elderly, physically, and developmentally disabled. (ODM and ODA waivers)	
	\$ Increase (millions)	Average % Rate Increase	\$ Increase (millions)	Average % Rate Increase
Nursing	\$0.4	24.4%	\$82.0	19.9%
Personal Care / Aide	\$464.0	16.5%	\$395.8	29.9%
Adult Day Services	\$61.0	10.0%	\$1.4	7.0%
Home Delivered Meals	\$0.9	22.2%	\$24.6	22.2%
Assisted Living			\$85.7	48.0%
Other Waiver Services			\$4.2	7.6%
ICF IDD	\$97.2	8.2%		
Total	\$623.5		\$593.7	

In addition to these targeted rate increases, the following policy changes are planned to allow greater use of self-direction, enable the greatest degree of independence in community living for every individual, reduce barriers of entry for self-directed caregivers and other providers to help address

workforce shortages, address program inefficiencies and misalignment, improve care coordination for those with complex needs, and avoid unnecessary and expensive institutionalization:

- **Adding self-direction** to the Ohio Home Care waiver and ensuring the enrollment process for self-directed caregivers is improved over what exists today in other waivers. Individuals served by the waiver have been vocal and supportive of expanding self-direction. It has the added benefit of providing some relief to workforce shortages.
- **Adding structured family caregiving** to the PASSPORT, Ohio Home Care, and MyCare waivers to address workforce shortages and caregiver burnout that can lead to unnecessary and expensive institutionalization.
- **Adding remote monitoring** to the Ohio Home Care, PASSPORT, and MyCare waivers to address workforce shortages.
- **Revising assisted living rates** for services through the Assisted Living and MyCare waivers and creating a new add-on **payment for the extra services required by individuals with dementia to assure their safety**. Recommendations from the Ohio Department of Aging Dementia Taskforce support the need for a dementia care rate adjustment.
- **Reviewing the need for existing licensure requirements** for homemaking service providers to relieve some of the pressure of workforce shortages.
- **Streamlining the enrollment process** in PASSPORT and MyCare waivers for self-directed caregivers, due to consumer advocacy as well as helping to address workforce shortages.
- **Adding vehicle modification** for PASSPORT, Ohio Home Care waiver, and MyCare waivers to ensure individuals have the same access that exists on other waivers today and to ensure individuals can live a productive and independent life in the community and avoid unnecessary institutionalization.
- **Allowing ramps and minor home modifications** to non-waiver individuals who have a potential to fall. This will help individuals remain healthy, stay at home, and avoid unnecessary and expensive institutionalization.
- Ensure people with developmental disabilities have access to ICF options by **increasing the direct care component** of the ICF reimbursement rate and increasing the daily rate for ICFs **supporting people who need ventilator support**.
- **Waiver redesign** work being performed by DODD **for the HCBS waivers based on a DD level of care** will redesign the waiver services system that supports people with developmental disabilities and their families. The work will focus on modernization, and simplification of

current processes related to assessments, funding, rate setting, data collection, and establishing individual budgets.

- **Implementing the modernization of adult day services** for people with developmental disabilities supported by DODD. This work will implement workgroup recommendations to increase the flexibility of services, better support those with complex needs, and pay for quality.
- **Continuing efforts for ongoing waiver alignment** including an effort to greater define roles of waiver service coordinator and case manager for MyCare.
- **Developing a clearer definition of waiver service coordination responsibilities** and ensuring appropriate reimbursement in collaboration with the Area Agencies on Aging.
- **Improving care coordination** efforts in MyCare especially for those with behavioral health needs.
- **Expanding PACE, led by the ODA**, to provide an alternative to individuals looking for better integration of care between Medicare and Medicaid.

Conclusion

Widespread workforce shortages are the biggest challenges facing our ability to provide care for Medicaid's members, and these shortages are most acutely felt in services for individuals with disabilities, those experiencing mental health and substance use challenges, and aging Ohioans. Workforce shortages were present before 2020 and have been greatly amplified by more recent economic trends. The rate increases and other waiver reforms outlined above are targeted to maintain or improve access to care – care that is needed to help individuals have the greatest control over how they live their lives.