

Office of Health Transformation **Reform Home Care Payments**

Governor Kasich's Budget:

- *Ensures that care in the home is done safely and honestly.*
- *Implements electronic verification for home visits.*
- *Transitions to an agency-only model.*
- *Saves \$19 million (\$6 million state share) over two years.*

Background:

Ohio currently operates eight home and community based services (HCBS) waiver programs that rely on direct care workers to provide in-home services. Together, these HCBS waivers provide more than 70,000 Ohioans with home and community-based services annually. In addition, another 32,000 seniors and individuals with disabilities gain access to HCBS services, including home care, through the *MyCare Ohio* demonstration project. *MyCare Ohio* is available in 29 Ohio counties and serves individuals age 18 or older who are enrolled in both Medicare and Medicaid, and require a nursing facility level of care.

Home care services are critically important for a person to stay at home or other community setting, and avoid going into a nursing facility or other institution. However, in-home care also presents some of the greatest challenges in Medicaid related to fraud and abuse, particularly among independent providers who are not subject to the oversight of an agency employer. From 2010-2014, the Medicaid Fraud Control Unit of the Ohio Attorney General's Office (MFCU) received 1,473 referrals for home care-related Medicaid fraud. Of those, 634 (~43 percent) were tied to independent providers. During the same period, MFCU indicted 535 home care providers. Of those 535 fraud indictments, 335 (~63 percent) were for independent providers. From 2010-2014, 479 home care providers were criminally convicted, and independent providers accounted for 306 (~64 percent) of those convictions. During federal fiscal year 2014 (the most recent statistical data available), *in-home convictions accounted for 87 percent of all MFCU convictions.*

Executive Budget and Impact:

Over the past four years, the Kasich Administration has vigorously pursued – and achieved – balance in long-term care spending while transforming the lives of thousands of Ohioans (see *Rebalance Long Term Services and Supports*). Just a decade earlier, many of these individuals would have had no choice but to receive care in institutional settings. This increased focus on better choices has resulted in an increased demand for home and community based services, and for home health care workers to provide care in those settings. In order for the

Administration to continue its work in this respect, concerted efforts must be made to ensure the safety and comfort for those individuals who wish to receive care inside the home. The Executive Budget advances this objective through new initiatives that target provider competency and assure honesty in provider billing and services rendered. The Budget:

- **Implements an Electronic Visit Verification (EVV) system for in-home care.** To combat potentially fraudulent in-home care providers, the Executive Budget requires Ohio Medicaid to implement an EVV system to validate service delivery to eligible individuals by authorized service providers. Similar systems are currently being implemented in states across the country. An EVV system may rely on various technology solutions, including telephony, GPS tracking, and biometrics to authenticate the presence of service providers. Additionally, these systems enable the individual receiving the services to verify that they are receiving care at the precise time of service delivery. An EVV system will significantly reduce the risk of improper claims being paid by Ohio Medicaid, as well as reduce certain administrative burdens associated with identifying fraud, waste, and abuse. Ohio Medicaid will implement EVV system by July 1, 2016. The introduction of this new technology is projected to cost \$13.8 million (\$6.9 million state share) in 2017 but that same year save \$23.3 million (\$8.7 million state share), for a net savings for the state of \$9.5 million (\$1.9 million state share) over two years.
- **Redesigns the Medicaid state plan home health/private duty nursing benefit.** Many individuals rely on the short-term services of home health providers and private duty nurses. However, not all of these individuals receive services through a managed care plan or an HCBS waiver. Therefore, such services must be redesigned to be a short-term acute care benefit. Meanwhile, individuals requiring long-term nursing and aide services will be directed to waiver or managed care resources in order to meet their health care needs. This reform will save the state \$9.6 million all funds (\$3.6 million state share) in 2017.
- **Expand existing delegated nursing authority.** Developmental disability personnel currently have the authority to administer prescribed medications, perform specified health-related activities, and perform tube feedings when the personnel are not otherwise authorized by state law to engage in those activities. The Executive Budget extends similar authority to unlicensed assistive personnel who provide services through HCBS waivers administered by Ohio Medicaid and the Department Aging. These agencies will work with DODD to develop a certification program to train unlicensed assistive personnel to perform a number of specific health care tasks. As part of the program, the agencies must maintain a registry of all unlicensed assistive personnel and registered nurses who have received the training and been certified.
- **Transition to an agency-only model.** In order to improve programmatic oversight, decrease fraud and abuse, and improve health outcomes for individuals, a majority of states – and the federal Medicare program – only do business through Medicaid with agencies, not independent providers. The Executive Budget requires Ohio Medicaid to

eliminate the “independent service provider” option as a strategy to improve the administrative oversight of the program, decrease programmatic fraud and abuse, and improve health outcomes for individuals. Ohio Medicaid will not take any new independent service providers after July 1, 2016 and by July 1, 2019 only accept claims submitted through agencies. This change will impact over 13,000 service contractors within seven HCBS waivers. These providers will be able to continue providing Medicaid-funded HCBS waiver services should they seek employment through an approved agency, or if they provide services to an individual who is using a self-directed option where the recipient is the employer of record. Ohio Medicaid and the related agencies will work with stakeholders to make the transition to the agency only model as smooth as possible for individuals receiving services and Ohio’s direct care workforce.

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