

Catholic Conference of Ohio

9 E. Long St., Suite 201, Columbus, Ohio 43215

March 24, 2009

The Honorable Ted Strickland
State of Ohio Governor
Ohio Statehouse
Columbus, Ohio 43215

Dear Governor Strickland,

Among many issues of concern to us in these economically difficult times is the ability of Catholic hospitals and nursing homes to provide adequate health care for the poor.

On behalf of Ohio's Catholic hospitals and nursing homes and the patients we serve, we are writing you to express our views related to your 2010-11 state operating budget proposal on Medicaid.

First, we are pleased that additional coverage for children and adults will be contemplated during the budget bill process, and that post acute services such as home health will afford seniors with additional care options.

With the mounting fiscal challenges facing the state, we are keenly aware of the financial pressures surrounding health and human service programs. We also believe, however, that additional revenues generated by the hospital franchise fee must be returned to our local communities to preserve the safety net that our institutions represent throughout the state. Our estimates show that the proposed assessment will have a negative impact of at least \$75 million on providing care in Ohio's Catholic hospitals.

Given the state of today's economy, including rising unemployment figures across the state, it is essential now more than ever, for Ohio Medicaid to provide sound policy that goes beyond balancing the Medicaid budget at the expense of patient care, well-paying jobs and other investment that we are making in our communities.

There is also great concern for the future of patient care related to the "non-contracting" language in your proposal, which will impede the ability of hospitals to negotiate fairly with managed care organizations (MCOs). This provision further requires hospitals to have a financial relationship with an MCO, and would have consequences for patient care. For example, a patient who already receives care at a local hospital may be required to seek care elsewhere if his or her hospital isn't part of a particular network.

We need an innovative state policy that focuses on prevention and chronic care management for conditions such as diabetes and asthma. For example, the creation of regional enhanced care management (ECM) pilot programs would examine other care

options beyond current Medicaid managed care policy. This approach coupled with our priority of preserving the safety net for patient care in our communities would provide an even higher level of healing care to Medicaid patients, and better serve all patients regardless of their ability to pay.

We also have concerns over the negative impact an increase in the nursing home bed tax will have on several of our nursing homes that do not participate in Medicaid. We understand that there are only a handful of nursing facilities in this state that provide charitable, contributed service without accepting Medicaid. Most of these, such as the House of Loreto in Canton, Ohio, are religiously affiliated. Paying an increased bed tax to match Medicaid monies that they do not utilize creates a financial hardship for them. We encourage your office of Medicaid and elected officials to pursue fair and workable exceptions to this situation.

We would be most grateful for the opportunity to meet with you at your convenience to discuss the future of health care for all Ohioans.

Thank you for your consideration.

Sincerely,

Most Reverend Daniel E. Pilarczyk
Archbishop of Cincinnati
Chairman of the Board of Directors
Catholic Conference of Ohio