



We provide care to vulnerable Oklahomans, including those with developmental disabilities, the sick and the elderly. Chronic underfunding has left our hospitals, skilled nursing facilities and care networks at a breaking point. Federal dollars are available to help our patients and residents, and we are fighting for them.

Federal matching funds for health care are being increased...

The Oklahoma Health Care Authority (OHCA) and the Department of Human Services (DHS) are receiving an approximately 4 percent increase in federal matching (or "FMAP") funds in FY2019. We believe these funds should be used to help restore and stabilize the state's extremely low Medicaid provider rates, which are contributing to a crisis in Oklahoma health care. This crisis is particularly pronounced for the elderly, persons with disabilities, and Oklahomans relying on rural health care services.

Those funds may be redirected to priorities other than patient care ...

OHCA has indicated it does NOT plan to use these funds to increase provider rates. We fear the federal dollars may be used to offset future cuts in state funding for health care, allowing the agency to "tread water" while pursuing other priorities.

Federal dollars could be left on the table while our health care infrastructure languishes...

Every dollar that OHCA and DHS spends on Medicaid provider rates attracts matching federal dollars. Because the federal match is increasing in FY2019, the state can attract even more federal dollars with no state fiscal impact. For instance, the state spent \$232 million to fund nursing homes in FY2018, attracting a federal match of \$332 million in federal funds, for a total of \$564 million. If the state maintains its commitment to nursing homes in FY2019, the same level of state funding would attract \$369 million in federal matching funds for a total of \$601 million, a \$37 million increase from the previous year. Similarly, the state can increase funding for hospitals by an additional \$94 million and generate an additional \$50 million for Developmental Disability/Advantage Waiver caretakers by maintaining the previous year's state commitment. The state has every incentive to at least maintain current funding levels; it makes no sense to reduce state funding and lose the federal match.

When federal dollars to Oklahoma were reduced, OHCA and DHS cut provider rates. Now it's time to restore those rates.

Over \$500 million in federal cuts have led to large decreases in Medicaid reimbursement rates to providers. As federal funds increase, the state should prioritize the restoration of those cuts.

What's at stake? Medicaid cuts have led to a debilitating work force crisis, reductions in service and quality and facility closures. It's time to reverse the downward spiral by prioritizing care and maximizing our opportunities to receive federal dollars.

The Workforce Crisis:

In 2017, aging and developmental disabilities service providers experienced an **82% turnover rate** for direct support staff. Average hourly wages for direct support staff are only **\$8.58**. Workforce competitors include Target (\$12), McDonalds (\$10), OnCue (\$11.15) and Hobby lobby (\$14). Skilled nursing facilities have similar salaries and turnover issues.

FMAP funds could help in-home providers serving Oklahoman's with developmental disabilities and low-income seniors as well as hospitals and skilled nursing facilities to attract the quantity and quality of employees needed to deliver better, more consistent care.

The Waiting List Crisis:

There is an 8,000 plus person waiting list for services for Oklahomans with developmental disabilities. To qualify for Developmental Disabilities Waiver services, a person must be Medicaid eligible, have an IQ of less than 70, and meet institutional level of care criteria.

FMAP funds can be used to get families off the waiting list faster and get them the help they need.

A Crisis for Vulnerable Seniors:

One-hundred nursing homes have closed since 2000, more than 25% of all facilities. Wynnewood Care Center Closed in November. Pawhuska Nursing Home closed in January. Care Providers Oklahoma is aware of more closures that will occur in the next 90 days. One-third of skilled nursing facilities are in danger of closing, according to a report commissioned by a third-party accounting firm. This is a crisis for vulnerable seniors, many of whom have nowhere else to go and are living in fear that they will be uprooted from their homes and left without care.

FMAP funds can reverse this trend and prevent further closures.

The Rural Hospital Crisis:

In the last several years, four hospitals have closed or no longer provide inpatient services. More than two-thirds of the state's **rural hospitals now operate with negative margins and 42 of 81 hospitals are now at risk of closing**. Urban hospitals are also now cutting jobs and laying off employees.

Current Medicaid reimbursement rates are untenable in rural areas, and beginning to affect urban hospitals as well. FMAP funds can help shore up rural care and elevate the quality of care in hospitals statewide.

Simply maintaining the current levels of state funding with an increased federal match will help to address all of these crises and improve health in Oklahoma.

