



Ohio Children's Hospital Association

Progress is a healthy child

Ohio Children's Hospital Association State Fiscal Year 2010-2011 Biennial Budget Request October 7, 2008

The Ohio Children's Hospital Association network of six children's hospitals provides high-quality pediatric health care for all Ohio children, including Ohio's poorest children primarily through Ohio's Medicaid programs, while serving as centers for pediatric research and teaching. These hospitals serve children from all 88 counties and treat more than two million children each year through outpatient, emergency, urgent care and inpatient visits. Because these hospitals are so heavily dependent on Medicaid funding due to the high number of Medicaid patients who comprise our caseloads, it is vitally important that Medicaid funding remains stable and continues to improve from an operational and a policy perspective.

I. SUPPLEMENTAL PAYMENTS TO CHILDREN'S HOSPITALS

BUDGET REQUEST: Continuation of supplemental payments to Ohio children's hospitals as contained in HB 119 in the amount of \$6 million in state fiscal year 2010 and \$6 million in state fiscal year 2011 (drawing down up to \$9 million in federal matching funds in each fiscal year).

II. STABILITY OF MEDICAID RATES

BUDGET REQUEST: No recalibration of Medicaid reimbursement for hospitals during the next biennium and no reduction in Medicaid reimbursement rates.

III. HOSPITAL CARE ASSURANCE PROGRAM

BUDGET REQUEST: Preserve stability in the Hospital Care Assurance Program for Ohio's children's hospitals who are true Disproportionate Share Hospitals (DSH). HCAP provides some relief for uncompensated care and more importantly to offset some of the significant Medicaid losses incurred for serving this vulnerable population of children.

IV. ENROLLMENT OF CHILDREN ELIGIBLE FOR COVERAGE

BUDGET REQUEST: The Ohio Children's Hospital Association supports enrollment of children who are eligible for Medicaid through reforms enacted into law by HB 119. However, we believe it is critically important to first ensure the state has strengthened the foundation of Medicaid's financing and delivery system by enacting the recommendations listed above before moving to put additional pressure on the system.

Medicaid funding falls significantly short of medical service costs: In terms of Medicaid funding from the State of Ohio, Ohio children's hospitals receive funding primarily from three main sources (Medicaid data is from 2007):

- Ohio's Medicaid program payments (\$625 million)
- The Hospital Care Assurance Program (HCAP) (\$43 million)
- The children's hospital supplemental payment program (\$15 million)

Despite this funding, there remains a large gap between the cost of providing services to Ohio's children and what Medicaid pays for those services.

FACT: The Ohio Children's Hospital Association estimates a 2007 net Medicaid program payment shortfall of \$139 million for our six member hospitals. This figure grows significantly when non-Medicaid uncompensated care of \$21 million is added to the equation. In 2007 Ohio's children's hospitals incurred Medicaid shortfalls and uncompensated care losses totaling \$160 million.

155 East Broad Street Columbus, Ohio 43215 614/228-2844 fax 614/228-3772 www.ohiochildrenshospitals.org

Akron Children's Hospital

Cincinnati Children's Hospital
Medical Center

Rainbow Babies and
Children's Hospital, Cleveland

Nationwide Children's Hospital
Columbus

Dayton Children's
Medical Center

Toledo Children's Hospital