

Testimony of

**Dr. Ted Wymyslo, Director
Ohio Department of Health**

Senate Finance Committee

May 10, 2011



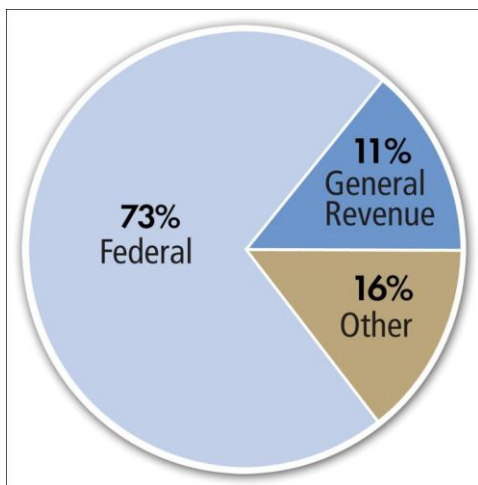
Chairman Widener and members of the Senate Finance Committee, I would like to take this opportunity to thank you for inviting me to speak to you about the Ohio Department of Health.

I am Dr. Ted Wymyslo and I serve as the Director of the Ohio Department of Health for Governor John Kasich. I want to take a few minutes to give you a brief summary of the Ohio Department of Health and some of the issues we are working on in the 129th General Assembly.

As a department within the Office of Health Transformation, we are working with the other health related state agencies to reform Medicaid and other health care services through better care coordination and payment reform to achieve better health outcomes for all Ohioans.

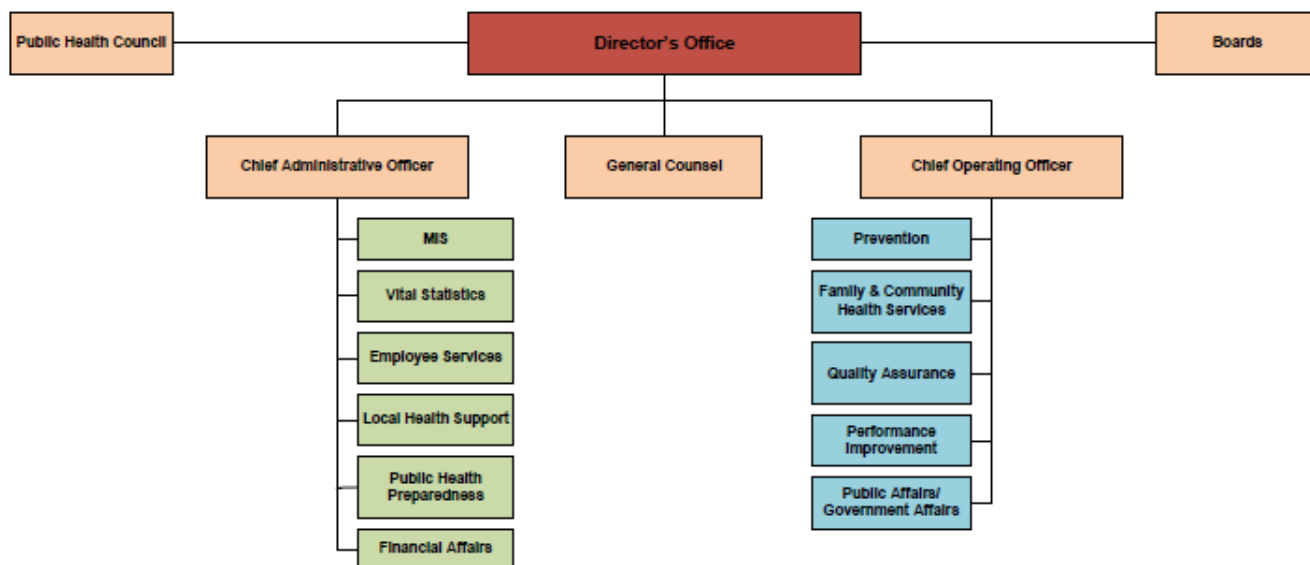
In one way or another we serve the more than 11 million residents in the State of Ohio. Whether it be making sure the food you eat at your favorite restaurant is safe, or ensuring the availability of immunizations for newborns and school age children, or offering home visits for young mothers and newborns or inspecting nursing homes or other health facilities we touch everyone's life in Ohio. Our mission is to protect and improve the health of all Ohioans. We sometimes seem non-existent until an H1N1 outbreak occurs, or a natural disaster hits resulting in an emergency response but we are here every day working with our partners at local health departments, hospitals, nursing homes and other health care providers to deliver needed health care services in a variety of settings.

The Ohio Department of Health has over 1,200 employees working in nearly 150 program areas and an annual budget of over \$700 million of which 73% comes from federal funding, 11 % from State General Revenue Fund (GRF) and the rest from various permit fees. We are working hard to become less dependent on State GRF and relying on other sources of funding while streamlining our organization to maximize efficiencies. The budget before you today represents an overall 10.7% reduction in GRF. As I stand before you today I am proud to report that through our initial reorganization we have realized significant savings in salaries and benefits from our senior management budget as compared to the previous administration. We will continue to challenge ourselves to improve our customer service while remaining steadfast to our mission of protecting and improving health.



Ohio Department of Health - Revenue

The Ohio Department of Health has recently reorganized in an effort to develop a table of organization that is more efficient and functional. Those reporting directly to me include; Chief Legal Counsel – Jodi Govern, Chief Administrative Officer – Martin Tremmel and Chief Operating Officer – Steve Wermuth.



The Ohio Department of Health
 Table of Organization
 Last Updated: 3/29/2011

As Chief Administrative Officer, Mr. Tremmel will direct functions involving Financial Affairs, Information Technology, Human Resources, Vital Statistics, Local Health Department Support and Emergency Preparedness.

The Divisions of Prevention, Quality Assurance and Family & Community Health Services as well as Performance Improvement and Public & Government Affairs will be administered by Mr. Wermuth as Chief Operating Officer.

We have taken this “lean and mean” approach to our senior management to not only keep overhead costs down, but to achieve greater functionality in the delivery of programs and services to our customers.

I would like to take a moment and walk you through the various changes made to our GRF line items as compared to the House passed version of HB153.

FUND	ALI	ALI NAME	BLUE BOOK 2012	BLUE BOOK 2013	HOUSE BILL 153 As Passed By House 2012	HOUSE BILL 153 As Passed By House 2013	VARIANCE 2012 House vs. Blue Book	VARIANCE 2013 House vs. Blue Book
GRF	440407	Animal Borne Disease and Prevention	This line item has been combined with 440451 - Public Health Laboratory					
GRF	440412	Cancer Incidence Surveillance System	610,629	610,994	600,000	600,000	(10,629)	(10,994)
GRF	440413	Local Health Department Support	2,302,788	2,303,061	2,302,788	2,303,061	0	0
GRF	440416	Mothers and Children Safety Net Services	4,227,842	4,228,015	4,227,842	4,228,015	0	0
GRF	440418	Immunizations	6,430,538	6,430,829	6,430,538	6,430,829	0	0
GRF	440431	Free Clinics Safety Net Services	437,326	437,326	437,326	437,326	0	0
GRF	440437	Healthy Ohio	This line item has been combined with 440468 - Chronic Disease and Injury Prevention					
GRF	440438	Breast and Cervical Cancer Screening	708,539	708,539	708,539	708,539	0	0
GRF	440444	AIDS Prevention and Treatment	5,542,315	5,542,315	5,842,315	5,842,315	300,000	300,000
GRF	440446	Infectious Disease Protection and Surveillance	This line item has been combined with 440451 - Public Health Laboratory					
GRF	440451	Public Health Laboratory	3,654,348	3,655,449	3,654,348	3,655,449	0	0
GRF	440452	Child and Family Health Services Match	630,390	630,444	630,390	630,444	0	0
GRF	440453	Health Care Quality Assurance	8,170,694	8,174,361	8,170,694	8,174,361	0	0
GRF	440454	Local Environmental Health	1,135,141	1,135,362	1,135,141	1,135,362	0	0
GRF	440459	Help Me Grow	33,673,545	33,673,987	32,923,987	32,923,987	(749,558)	(750,000)
GRF	440465	Federally Qualified Health Centers	0	0	458,688	2,686,688	458,688	2,686,688
GRF	440467	Access to Dental Care	540,484	540,484	540,484	540,484	0	0
GRF	440468	Chronic Disease and Injury Prevention	2,631,626	2,633,219	2,577,251	2,577,251	(54,375)	(55,968)
GRF	440472	Alcohol Testing	550,000	1,100,000	250,000	750,000	(300,000)	(350,000)
GRF	440505	Medically Handicapped Children	7,512,451	7,512,451	7,512,451	7,512,451	0	0
GRF	440507	Targeted Health Care Services Over 21	1,045,414	1,045,414	1,045,414	1,045,414	0	0
TOTAL GRF			79,804,070	80,362,250	79,448,196	82,181,976	(355,874)	1,819,726

Division of Prevention

Within the Division of Prevention the following changes should be noted:

Line items 440-407 Animal Borne Disease Prevention and 440-446 Infectious Disease Prevention and Surveillance will be rolled into 440-451 Public Health Laboratory. With the continued cuts in the 407 and 446 lines items over the past budgets, ODH will be better positioned to respond to infectious disease outbreaks and be able to shift resources to the part of the outbreak that needs the most resources. This will enable ODH to respond faster and more accurately for statewide events.

The total amount of reductions in these three line items is \$802,954 per year compared to the SFY11 appropriation. The majority of these reductions are being made up by the following:

- ODH will no longer purchase oral rabies vaccine
- ODH will no longer fund grants to Local Health Departments in the Northeast corner of Ohio for raccoon rabies activities
- ODH will have to reduce staff in both the Animal-borne and Infectious Disease lines
- ODH will have to reduce the purchase of some laboratory supplies

However, ODH has worked with our Federal partners (USDA, Wildlife Service) who will continue to provide oral rabies vaccine for Ohio. The USDA will continue to support the Raccoon Rabies activities in Ohio for at least one baiting each year to ensure this border stays in place. However, their support will not include grant funds to Local Health Departments for baiting and surveillance support.

Line item 440-413 Local Health Department Support has received a .4% reduction in SFY12 and is flat funded in SFY13. In addition, we have reconfigured the vital statistics fee which will allow the local health departments to keep an additional \$1.00 of the vital statistics fee. Currently, local health departments collect a state fee of \$12.00 keeping \$8.00 and sending \$4.00 to ODH. Under the proposed budget they will keep a total of \$9.00 and send \$3.00 back to ODH. We want to ensure that local health departments have the adequate funding to provide those necessary public health services at the local level. Working with the Association of Ohio Health Commissioners, we are requesting language that would distribute these funds to each county on a per capita basis to help implement population based programs at the local level.

Line item 440-418 Immunizations has been reduced by \$800,000 per year compared to the SFY11 appropriation. Approximately \$700,000 in Immunization Action Plan Grant program reductions will be implemented to meet budget reductions. It is important to note that grant reductions are being made so that no reduction in the purchase of vaccine will occur and vaccines purchased with GRF for qualifying children and adults will not be impacted. The reduction will impact approximately 37 Local Health Department (LHD) sub-grantees. These grant funds are used by the LHDs for immunization awareness, education and outreach services. Since this program is supported by a mix of federal and state (GRF) funds, the LHDs will still maintain federal funds for these services. The remaining \$100,000 in reductions will be made up internally at ODH.

Language was added to the House passed version that exempts e-school students from immunization requirements. While we understand the concept of e-schools, immunizations of school age children have proven to prevent the spread of communicable disease. e-students still interact with other children at church, community recreation sports, and other events that could enable the transmission of communicable diseases. We just had two cases of meningitis in Morgan County that remind us of the need to pay attention to these childhood diseases. We would request the removal of this language as it is counter to good public health.

Part of our reduction in GRF involves the Marinas and Agriculture Labor Camps. These programs are implemented by local health departments with oversight by ODH. Language was accepted in the Executive Budget that would repeal these sections of the Ohio Revised Code. We had asked for an amendment to allow the local health departments to make the business decision to implement the programs. Confusion around these programs caused the entire language to be removed. We would ask that the Executive version of this language be reinstated and replace a “shall” with “may”. In other words it doesn’t make much sense to require Holmes County Health Department to implement the Marina program when there is no large bodies of water in that county. It’s that Common Sense Initiative.

The Alcohol Testing Program tests and licenses law enforcement officers to use the breath alcohol testing equipment and certifies the testing solution used in the equipment to ensure accurate results has been reduced by a total of \$650,000 over the biennium. Our cost to do that program is \$1.3 million per year. We receive \$400,000 from a Department of Public Safety federal grant leaving a GRF portion of \$2.2 million for the program over the biennium. With this level of reduction we will no longer be able to do the program and would respectfully request a repeal of that section of the ORC. The impact of not conducting this program will have a significant impact on law enforcement’s ability to successfully uphold drunk driving citations in Ohio.

Line item 440-444 AIDS Prevention and Treatment houses the Ryan White and HIV prevention programs. This line item received a \$300,000 dollar increase in appropriation per year in the House version of HB153 as compared to the Executive Budget, which will assist in adding 43 more clients from Ohio’s current client waiting list or purchasing 25,862 more rapid HIV test kits to identify any additional citizens with HIV. However, the Ryan White program in SFY2013 will need an additional \$5.5 million just to sustain current operational levels. To address the number of citizens on the waiting list and the estimated number of citizens who will need access to HIV medicine and clinical treatment services over the biennium is an additional \$16.7 million. The costs of this program above the current appropriated levels and the total additional funds needed for the Ryan White program are \$22.2 million over the biennium.

Healthy Ohio was formed at ODH to place greater focus on prevention of chronic disease and injury, health equity and tobacco use prevention and cessation. Since its inception, Healthy Ohio has grown and expanded its scope to include initiatives to prevent and reduce childhood obesity and coordinate preventive healthcare activities across agencies.

The following changes are being proposed within Healthy Ohio:

Line item 440-437 Healthy Ohio is being consolidated with line item 440-468 Chronic Disease and Injury Prevention. The total amount of reductions in the introduced version of these two line items is \$330,732. An additional \$110,343 was reduced in the House passed version making the total reduction in this line item \$441,075 for the biennium. Reductions in services such as our diabetes prevention program will be affected by this decrease.

The 468 line has traditionally supported staff and programming in the Bureau of Health Promotion and Risk Reduction with program activities that include: chronic disease prevention and control and intentional and unintentional injury prevention. The 437 line supports Healthy Ohio and includes program activities which are focused on reducing the risk factors associated with chronic disease and injury that include smoking cessation, physical activity, nutrition and obesity prevention and achieving health equity. By combining these line items we are streamlining program functions to achieve greater efficiencies. Some of the options discussed to continue program activities include:

- Utilizing program staff to assist in the development of chronic disease management programs.
- Developing partnerships with managed care companies to help fund breast and cervical cancer screening programs to offset additional costs for treatment.

It is important to note that with additional budget cuts of these line items as a result of federal budget reductions added to those in HB153, we will need to make decisions as to the elimination of prevention programs and services in Ohio. This is counter to the movement within health care reform to expand prevention programs to help offset future health care costs for secondary and tertiary treatments.

Line item 440-438 Breast and Cervical Cancer Screening has been reduced \$30,632 per year compared to the SFY11 appropriation. Ohio's Breast and Cervical Cancer Project (BCCP) is a program that provides high quality breast and cervical cancer screening, diagnostic testing and case management services at no cost to eligible women in Ohio. BCCP's clinical services are available through a network of medical providers throughout the State of Ohio. We have requested \$1 million in unused Tobacco Master Settlement Agreement funds to be carried over into SFY12 in an effort to continue providing these services to women in Ohio.

Regarding our tobacco use prevention/cessation and smoking ban enforcement programs, we will run out of funds for these programs in SFY12. Our smoking ban enforcement program needs \$1 million per year for implementation. Without funds for this program we will no longer be able to inspect bars and restaurants to ensure the smoking ban enacted by the voters of Ohio is implemented.

The tobacco quit line has provided services to over 20,000 Ohioans per year who seek services to quit smoking. The five session cessation program with nicotine replacement therapy costs about \$215 per person. Our analysis of the program has shown that every employee that participates in the cessation program and quits smoking results in a \$2,600 savings in otherwise lost productivity to the employer. Clearly, this is an economic benefit to Ohio employers. The annual cost to run this program is \$2 million per year.

The taxes on tobacco products yield \$922 million per year. We are respectfully asking for \$3 million per year from the taxes generated from tobacco products to fund these valuable programs that have been implemented by the will of the Ohio voters when the smoking ban was enacted.

Division of Quality Assurance

Regarding the Division of Quality Assurance the following changes have been proposed:

Line item 440-453 Health Care Quality Assurance has been reduced \$1.7 million per year compared to the SFY11 appropriation. This reduction is being met through the transfer of the Adult Care Facility licensure program to the Ohio Department of Mental Health (ODMH). This is another example of the Office of Health Transformation working together to streamline state services to achieve great efficiencies and better care coordination. There are over 600 facilities licensed under this program serving more than 5,000 adults. The majority of adults living in these facilities have a mental health diagnosis and therefore the Adult Care Facilities licensure program will fit better in the mental health system.

Language was added in the House passed version that would require the department to monitor and enforce clinical laboratory kickback activities. We are requesting that this language be removed as this is not a public health issue and is not sufficiently funded to be realistically carried out.

Division of Family and Community Health Services

We worked in collaboration with the Office of Health Transformation to draft statutory language authorizing the department to develop rules that establish the definition of Health Home. This language was accepted in the House passed version of HB153.

As part of Medicaid reform in Ohio, the Health Home will be the focal point of access to care, care coordination and electronic medical records. With enhanced payments going to Health Homes, it becomes important to develop a definition so that those providers in a Health Home meet specific core principles to ensure outcomes are met.

The following changes are noted within the Division of Family and Community Health Services:

Line item 440-416 Mothers and Children Safety Net Services is being reduced by \$110,000 per year compared to the SFY11 appropriation. Mothers and Children Safety Net Services provide prenatal, well child care and family planning services to infants, children and women of child-bearing age on a sliding fee scale.

It is estimated that a health visit for women costs approximately \$100. A reduction in these Safety Net Services will be met through program changes as this grant is up for the competitive application process at the local level. Award amounts will be adjusted accordingly.

Line item 440-459 Help Me Grow was reduced by \$2.8 million per year in the Executive Budget. An additional \$750,000 per year was reduced in the House passed version. Help Me Grow (HMG) is Ohio's birth to 3 system that provides state and federal funds to county Family and Children First Councils to be used in conjunction with state, local and other federal funds to implement and maintain a coordinated, community-based infrastructure that promotes family-centered services for expectant parents, newborns, infants and toddlers and their families. HMG consists of two components that are available statewide: Home Visiting and Part C/Early Intervention. The Home Visiting program provides expectant or new parents with health and child development information through a voluntary, high quality home visiting service. The Early Intervention system in Ohio is designed to identify and serve children under the age of 3 with developmental delays and disabilities as provided for under the federal Individuals with Disabilities Education Act (IDEA).

The reduction in HMG will be met through attrition, reduced training funds and reductions of local subsidies to Family and Children First Councils. We are respectfully requesting returning the HMG funding to the Executive Budget funding levels.

Additionally, language was accepted in the House passed version that would set Parents-As-Teachers as the required statewide program for home visiting and eliminates the requirement that the department develops standards and procedures as well as eligibility criteria for home visiting. This language is entirely counter-productive to the work that has been done by the department, advocates, and providers over the past several years. We are requesting the removal of this language so that the work that has been done by these groups may continue so we can develop a home visiting program to meet the needs of every community in Ohio. The "one size fits all" concept does not work in Ohio because of the great diversity we have in our communities. The work done by the advocates, providers and department over the past several years has resulted in establishing standards that point to outcomes that need to be met in serving families. We have worked hard to be sensitive in allowing communities to choose the programs that best meet the needs of their families while reaching established outcomes.

Line item 440-465 Federally Qualified Health Centers was reduced by \$2.68 million each year in the Executive Budget. The House passed version provided \$458,688 in SFY12 and \$2.68 million in SFY13 of unused tobacco funds. Federally Qualified Health Centers (FQHCs) are community-based organizations that provide comprehensive primary care and preventive care, including oral health, and mental health/substance abuse services to persons of all ages, regardless of their ability to pay. As the Office of Health Transformation develops the definition of Health Home, FQHCs that meet that definition will receive the enhanced reimbursement for care coordination for those Medicaid beneficiaries with two or more chronic diseases. This is estimated at over \$47 million in SFY13. This will help the FQHCs transition to an outcome based system and receive reimbursement for coordinating Medicaid beneficiaries care.

ODH will work with the FQHCs to assist them in securing funds from the \$10 billion available to these centers under the federal Affordable Care Act. In addition, ODH will attempt to work with Medicaid Managed Care companies to secure contracts for FQHCs to assume roles as case managers within the Health Home Model.

Line item 440-505 Medically Handicapped Children is being reduced by \$1.25 million per year compared to the SFY11 appropriation. The Bureau for Children with Medical Handicaps (BCMh) is a health care program at ODH that links families of children with special health care needs to a network of quality providers and helps families obtain payment for the services their children need. BCMh's mission is to assure, through the development and support of high quality, coordinated systems, that children with special health care needs and their families obtain comprehensive care and services that are family centered, community based and culturally sensitive. The BCMh program will not alter eligibility or level of benefits to absorb these reductions.

In an effort to reduce the impact of this reduction, we are requesting language that will allow the BCMh program to collect rebates from pharmaceutical manufacturers based on BCMh coverage of the companies' products. Currently, the BCMh program purchases pharmaceutical products at a cost of \$10 million per year.

We are requesting amendment language to include diagnostic services as a qualified reimbursement under the .1 mill generated through county inside millage to serve BCMh children in the respective county. Currently, only treatment services for children in those counties are reimbursed. This is not a request of additional funds from the counties, but using the existing set aside funds more efficiently in serving families in those counties. Our analysis has shown this would result an additional \$1 million per year of BCMh set aside funds being used throughout all 88 counties. This is an average \$11,363 per county. Our analysis also shows that 80% of the BCMh county millage is expended in the county where the child resides. For example, if a prescription is written for a child in the BCMh program, it is likely that the parent will go to the pharmacy close to home, in their county. Therefore this is money generated in the county and then used in that county to serve families that reside in that county.

The House passed version also includes language that requires the department to apply for the federal abstinence grant. That grant is due May 31, 2011 and we are developing that grant proposal for submission by that deadline.

Performance Improvement

Line item 440-412 Cancer Incidence Surveillance System has been reduced by \$163,605 in the Executive Budget. An additional \$21,623 was reduced in the House passed version resulting in a total reduction of \$185,228 over the biennium. The Ohio Cancer Incidence Surveillance System (OCISS) collects and analyzes cancer incidence data on all Ohio residents. All Ohio providers of medical care are required, by law, to report to OCISS all cancers diagnosed and/or treated in Ohio. The collection and analysis of population-based cancer incidence data help determine the burden of cancer in Ohio's communities, raise awareness about factors that may increase cancer risk and the benefits of early detection, and improve the survival of persons diagnosed with cancer. Ohio's cancer incidence data are widely used by public health professionals, medical researchers and others to develop, implement and promote many cancer prevention and control activities in Ohio and to support important cancer-related research.

Through this reduction, ODH will explore opportunities of additional funding sources through our various OCISS partners.

Budget Language Change Requested:

To briefly recap, we are asking for the following changes to the ODH budget:

1. **Tobacco Funding:** We are requesting \$3 million per year be allocated to our tobacco program from tobacco taxes. Specifically, \$1 million for tobacco enforcement and \$2 million for the Tobacco Quit Line under our prevention program.
2. **Marinas and Ag Labor Camps:** We are requesting reinstatement of the Executive Budget language and changing “shall” to “may” which allow the local health departments to make a business decision to implement programs based on public health need.
3. **Vital Statistics:** We are requesting language that will redistribute the \$1 of vital statistics fees to local health departments based on a per capita formula to implement population based programs.
4. **Help Me Grow:** We are requesting an additional \$750,000 per year in funding to bring the line item up to the Executive Budget funding levels. We are also requesting the removal of language that requires Parents-As-Teachers to be used as the statewide home visiting program and language that eliminates the development of standards and procedures as well as eligibility criteria for home visiting.
5. **Alcohol Testing:** We are requesting \$300,000 in SFY12 and \$350,000 in SFY13 to fund the alcohol testing program at needed program levels of \$1.1 million per year. These funds are for direct staff. Inadequate funding will lead to elimination of the program.
6. **Ryan White Program:** We are requesting an additional \$5.5 million in SFY13 to continue current services for clients in the Ryan White Program.
7. **BCMH Diagnostics:** We are requesting adding language that would permit the BCMH program to include diagnostics to the one tenth of a mill inside county millage.
8. **e-Schools Immunization Requirement:** We are requesting to remove the language that exempts e-school students from immunization requirements. This is not in the best interests of public health with the control of communicable disease.
9. **Clinical Laboratory Anti-kickback:** We are requesting the removal of language that requires ODH to monitor and enforce anti-kickback laws on clinical laboratories.

Closing

As a primary care physician with over 30 years experience of providing care in a variety of settings, I can attest to the need of redesigning our health care system in Ohio. Currently, 7 of the 10 leading causes of death in Ohio are lifestyle oriented – most of which are avoidable. Also, 75% of all health care spending goes to cover chronic diseases. Our payment system is based on volume with no expectation of outcomes and as a physician I can tell you we are as unhappy with the fragmented way we provide care as are our patients. The current system of care does not reward doctors for being comprehensive, thorough, or providing good continuity of care to our patients – the goals I had that attracted me to primary care in the first place.

Crisis creates opportunity. We have the need and I believe the desire to make changes to our health care delivery system that can serve more people, produce better outcomes and control costs for every Ohioan. By moving to a system where primary care and prevention are the foundations of medical homes and providers are paid for improving the health of their patients and clients through measurable outcomes, we can control our health care spending and give health consumers the information they need to make good choices about their health.

I have personally been involved in the development and implementation of the patient centered medical home and I can tell you it works. When providers of various disciplines can share information through electronic medical records and a health information system, we can avoid duplication of services, medication errors and unnecessary trips for health consumers to multiple facilities while at the same time improving the quality of care they are receiving.

We need to systematically change our public health policies so that the ones that lead to improved health are the easiest and most affordable choices for people (e.g., access to safe places to be physically active; access to fresh fruits and vegetables; limited access to cigarettes). Our goal is to create an integrated health care system that incorporates the strengths of public health with clinical medicine resulting in access to care for all Ohioans. Increasing access, controlling costs, and improving outcomes are the major policy drivers that will create a health care system in Ohio that enhances the quality of life for everyone. That's what public health is all about.

Last week at a conference I attended for state health officers, the CDC unveiled its public health priorities which include; Tobacco Prevention, Obesity, Healthcare-associated Infections, Motor Vehicle Injury Prevention, Teen Pregnancy, and HIV Prevention. We at the Ohio Department of Health are developing our strategies to impact these priorities. Working with the Ohio General Assembly and the Governor's Office we will continue our efforts to make Ohio a healthy place to live

Mr. Chairman and members of the committee thank you for this opportunity and I will try to answer any questions you may have.