

# **Testimony of**

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

**House Finance Committee  
Health and Human Services Subcommittee**

**April 1, 2011**

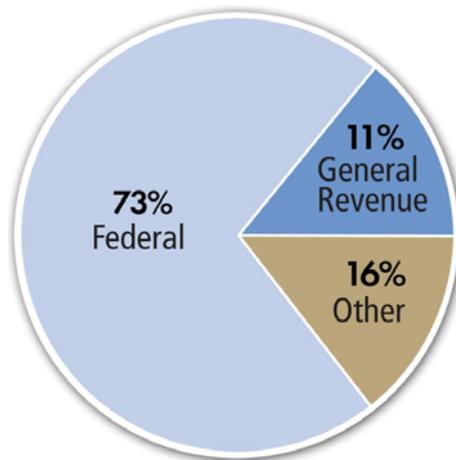


Chairman Burke and members of the Subcommittee, I would like to take this opportunity to thank you for inviting me to speak to you about the Ohio Department of Health.

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 129<sup>th</sup> 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.

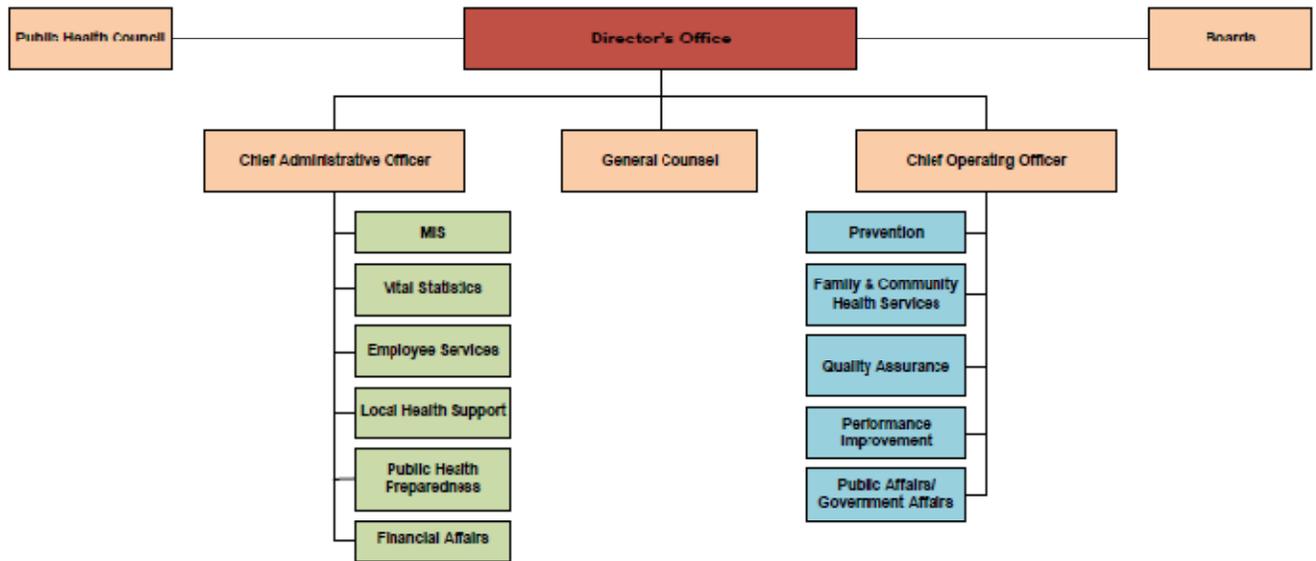
In one way or another we serve the more than 11 million residents in the State of Ohio. Whether it be making sure the food you eat at your favorite restaurant is safe, or ensuring the availability of immunizations for newborns and school age children, or offering home visits for young mothers and newborns 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 we made to our GRF line items.

**State of Ohio  
Department of Health**

**Line Item Summary By Budget Fund Group**

Fund	ALI	ALI Name	Actual			Estimated	Recommended			
			FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	% Change	FY 2013	% Change
GRF	440407	Animal Borne Disease and Prevention	2,539,422	1,895,499	583,324	642,289	0	-100.0%	0	-
GRF	440412	Cancer Incidence Surveillance System	1,249,740	859,355	671,404	774,232	610,629	-21.1%	610,994	0.1%
GRF	440413	Local Health Department Support	3,788,207	3,552,063	2,274,893	2,311,344	2,302,788	-0.4%	2,303,061	0.0%
GRF	440416	Mothers and Children and Safety Net Services	9,923,114	8,252,469	4,805,057	4,338,447	4,227,842	-2.5%	4,228,015	0.0%
GRF	440418	Immunizations	9,242,881	11,145,091	6,994,027	7,239,430	6,430,538	-11.2%	6,430,829	0.0%
GRF	440425	Abstinence and Adoption Education	125,702	189,694	0	0	0	-	0	-
GRF	440431	Free Clinics Safety Net Services	249,233	179,818	324,470	437,326	437,326	0.0%	437,326	0.0%
GRF	440437	Healthy Ohio	795,761	2,428,054	1,480,955	2,169,996	0	-100.0%	0	-
GRF	440438	Breast and Cervical Cancer Screening	1,742,466	2,686,950	907,263	739,171	708,539	-4.1%	708,539	0.0%
GRF	440444	Aids Prevention and Treatment	6,663,203	5,854,519	5,481,058	5,542,314	5,542,315	0.0%	5,542,315	0.0%
GRF	440446	Infectious Disease Prevention and Surveillance	262,655	140,645	618,224	915,878	0	-100.0%	0	-
GRF	440451	Public Health Laboratory	6,169,886	4,659,153	2,755,277	2,899,135	3,654,348	26.0%	3,655,449	0.0%
GRF	440452	Child and Family Health Services Match	1,004,206	910,112	639,588	645,127	630,390	-2.3%	630,444	0.0%
GRF	440453	Health Care Quality Assurance	10,267,424	9,871,474	9,381,896	9,902,789	8,170,694	-17.5%	8,174,361	0.0%
GRF	440454	Local Environmental Health	778,500	772,390	1,843,377	1,155,217	1,135,141	-1.7%	1,135,362	0.0%
GRF	440459	Help Me Grow	10,537,508	11,458,438	35,932,364	36,499,998	33,673,645	-7.7%	33,673,987	0.0%
GRF	440461	Vital Statistics	86,239	0	0	0	0	-	0	-
GRF	440465	Federally Qualified Health Centers	0	0	1,996,031	2,686,687	0	-100.0%	0	-
GRF	440467	Access to Dental Care	0	0	540,484	540,484	540,484	0.0%	540,484	0.0%
GRF	440468	Chronic Disease and Injury Prevention	0	0	668,616	792,362	2,631,626	232.1%	2,633,219	0.1%
GRF	440472	Alcohol Testing	0	0	0	0	550,000	-	1,100,000	100.0%
GRF	440505	Medically Handicapped Children	10,504,265	9,863,273	8,706,086	8,762,451	7,512,451	-14.3%	7,512,451	0.0%
GRF	440507	Targeted Health Care Services over 21	1,714,018	1,996,132	1,061,303	1,045,414	1,045,414	0.0%	1,045,414	0.0%
GRF	440511	Uncompensated Care and Emergency Medical Assistance	0	3,108,664	43,771	0	0	-	0	-
<b>Total for General Revenue</b>			<b>77,684,428</b>	<b>79,826,873</b>	<b>87,109,467</b>	<b>90,040,091</b>	<b>79,804,070</b>	<b>-11.4%</b>	<b>80,362,250</b>	<b>0.7%</b>
1420	440646	Agency Health Services	4,043,210	7,107,639	4,081,642	20,726,424	8,825,788	-57.4%	8,826,146	0.0%
2110	440613	Central Support Indirect Costs	26,670,383	27,070,920	26,092,789	28,884,703	31,052,756	7.5%	30,720,419	-1.1%
4730	440622	Lab Operating Expenses	4,309,980	4,817,119	4,831,116	5,396,469	5,599,538	3.8%	5,600,598	0.0%
5H80	440470	Breast and Cervical Cancer Screening	0	0	0	2,500,000	1,000,000	-60.0%	0	-100.0%
6930	440633	Employee Assistance Program	1,204,905	1,187,260	1,042,175	1,204,903	1,259,475	4.5%	1,241,147	-1.5%
6980	440634	Nurse Aide Training	47,376	66,372	25,081	99,999	99,239	-0.8%	99,265	0.0%
<b>Total for General Services</b>			<b>36,275,853</b>	<b>40,263,309</b>	<b>36,072,802</b>	<b>58,812,458</b>	<b>47,836,796</b>	<b>-18.7%</b>	<b>46,487,575</b>	<b>-2.8%</b>

I will discuss the line item changes found in the Blue Book in our GRF 440 fund

**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. 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 receive 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.

Line item 440-418 Immunizations has been reduced by \$800,000. 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.

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 these two line items is \$330,732. 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.

Line item 440-438 Breast and Cervical Cancer Screening has been reduced \$30,632. 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.

### **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. 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.

### **Division of Family and Community Health Services**

The following changes are being proposed 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. 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 is being reduced by \$2.8 million. 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.

Line item 440-465 Federally Qualified Health Centers is being reduced by \$2.68 million each year. 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 will help the FQHCs transition to an outcome based system and receive reimbursement for managing 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. 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.

### **Performance Improvement**

Line item 440-412 Cancer Incidence Surveillance System has been reduced by \$163,605. 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:**

### **Marina Licensure Law**

Language is included in the bill authorizing the repeal of the Marina Licensure Law (ORC 3733) and directing the Public Health Council to rescind rules adopted pursuant to ORC 3733.

Language is also inserted which requires local health districts to adopt rules for the licensure and inspection of marinas (outside the jurisdiction of ODNR) in their jurisdictions. Currently, license fees do not generate revenue sufficient to cover the costs of the program. GRF not spent on the marina program could be invested into self-supporting environmental health data systems. Potential stakeholders affected by this change include marina groups, local health districts, and ODNR.

### **Manufactured Home Parks**

Also is included language authorizing the repeal of the Manufactured Home Park Law (ORC 3733) and directing the Public Health Council to rescind rules adopted pursuant to ORC 3733.

Language is also inserted which requires local health districts to adopt rules for the licensure and inspection of Manufactured Home Parks in their jurisdictions, otherwise they fall to the local entity currently regulating residential development. Currently, license fees do not generate revenue sufficient to cover the costs of the program. Potential stakeholders include: Association of Manufactured Home Residents in Ohio, local health districts, Ohio Manufactured Homes Association, and Ohio Manufactured Homes Commission.

### **Agriculture Labor Camps**

The Ohio Department of Health is proposing to rescind sections of the Ohio Revised Code pertaining to licensure of Agricultural Labor Camps. The proposed language would require local health districts to adopt rules for the licensure and inspection of Agricultural Labor Camps in their respective health jurisdictions. Local health districts that adopt rules for licensure and inspection of Agricultural Labor Camps will be authorized to establish and adopt license fees in accordance with section 3709.09 of the Ohio Revised Code.

### **BCMh Pharmaceutical Rebate**

This language would allow BCMH to collect rebates from pharmaceutical manufacturers based on BCMH coverage of the companies' products. This language addition was put forth as a recommendation of the legislatively mandated commission on the future funding of BCMH. As BCMH experiences increases in its census based on the economic climate, at the same time that state and federal funds are diminishing, cuts will have to be made in either the volume of services provided to eligible clients or the number of clients who are eligible. Either of these solutions will have a negative impact on Ohio's children with special health care needs and their families. Potential stakeholders include: Ohio's children with special health care needs and their families, drug manufacturers and PhRMA.

Fund and Line Item Affected: Fund 4700 (ALI 440-647) or Fund 4770 (ALI 440-627), depending on the fund designated to receive the revenue

## **Coordination of Care for Children pending Medicaid Managed Care Enrollment**

This language is a companion piece to temporary budget language being submitted by the Department of Job and Family Services to authorize ODH and JFS to develop a plan that proposes initiatives to achieve efficiencies in the delivery of health care for children by coordinating the care for families and children who are eligible for the Medical Assistance Program and awaiting enrollment in managed care. This is another example of the interagency cooperation within the Office of Health Transformation in an effort to streamline services for children and families.

## **Help Me Grow Changes**

This language clarifies the statutory authority for ODH to operate the Help Me Grow Home Visiting and Help Me Grow Part C/Early Intervention Programs; and to promulgate rules regarding the eligibility for each program, the requirements for the providers, the payment system, due process requirements, and the data, monitoring, and evaluation standards for both programs. The current statutory authority language for HMG is outdated and does not specifically include authorizing language for the current home visiting program. Budget language for the current home visiting program is addressed in temporary provisions of the budget bill.

## **Help Me Grow Part C/Early Intervention Eligibility Workgroup**

This language requires the Director of ODH to establish a workgroup to provide recommendations for Part C eligibility based on available funds and national data trends. This temporary workgroup would be expected to deliver recommendations to the Director by October 1, 2011, or the language stipulates the default eligibility requirements.

## **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 are working 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. 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.

One additional note I want to bring to the Committee's attention. The funding for tobacco cessation programs, our tobacco quit line and tobacco enforcement activities will run out in SFY12. We will be the only state in the country without a quit line. We are seeking potential solutions to this funding deficit so that we can continue to offer these valuable services in Ohio.

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).

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