



May 30, 2018

Ms. Kathy A. Bruni
CT Department of Social Services
Community Options Unit
55 Farmington Avenue
Hartford, CT 06105

Subject: Section 17b-8 of the CT General Statutes: DSS's Intent to Amend the Personal Care Assistance (PCA) and Home Care Program for Elder Medicaid Waivers

Dear Ms. Bruni,

The Connecticut Association for Healthcare at Home, the united voice for home health and hospice agency providers, respectfully submits the following comments and concerns regarding the proposed amendment to Personal Care Assistance (PCA) and CT Home Care Program for Elders (CHCPE) Medicaid Waivers.

Home Health Agency Provider Commitment and Value

The Association and its provider member agencies have been longtime partners with the CT Department of Social Services (DSS) to deliver cost-effective, person-centered home-based care to Connecticut's Medicaid population in the setting they prefer most - their own homes.

Connecticut's home health agencies and collaborative community-based service providers have been the backbone of the State Long-Term Care Plan for decades, enabling CT residents to successfully age in place by receiving DSS authorized home health, home care and behavioral health support.

Both DSS and the provider community agree that home-based care delivery is working effectively for the benefit of our Medicaid population as well as the State of CT budget.

The most recent annual report prepared by DSS for the CT State Legislature indicates:

- Home health agencies and other community-based providers SAVE the State General Fund on average \$103-Million each year by keeping Medicaid clients out of institutionalized settings through cost-effective management of chronic conditions at home.



- Over the last 11 years, CT Home Care Program for Elders (CHCPE) services have benefitted the CT General Fund with a net savings of \$1.3-Billion after the federal share is paid.
- DSS has recognized the value of home and community-based services by modifying their savings calculation methodology for 2016. The new annual reported savings of \$342-Million is more than 3 times the average annual savings reported by DSS over the past 11 years.

The Destabilization of CT Home-Based Care Delivery through Wage Inequity

While these facts point to a highly successful system of care delivery, underneath the data lies a fragile and deteriorating Connecticut home-based provider network facing serious workforce and wage parity challenges.

An amendment of the Personal Care Assistance (PCA) and Home Care Program for Elder Medicaid Waivers to increase the individual cost cap to reflect wage and rate increases for self-directed Personal Care Assistants will immediately destabilize the home-based care workforce by creating a significant wage discrepancy between agency-based and unionized workers.

As a result of heightened wage and recruitment competition in Connecticut, the State's Medicaid waiver participants could be negatively impacted by the proposed waiver changes.

Based upon a recent CT Association survey of agency providers, home health aides (with intermittent hourly schedules) and homemaker-companion roles are the most challenging to recruit and retain with turnover rates climbing to 35 - 45% statewide in 2018. A 2018 national study by Mercer warns of a crisis by 2025 with demand for home-based workers surpassing supply. States including Ohio are already seeing turnover rates for home health aides in excess of 60%.

Connecticut's decision to make an upward adjustment of wages to a select segment of the CT home-based workforce through Medicaid waivers specific to PCAs and Home Care Program for Elders, without an equivalent adjustment to agency-based home health aides, will create a \$3 to \$5 per hour wage disparity in CT by the year 2020.

Wage and Workforce: A Function of CT Medicaid Provider Reimbursement

CT home health agencies desire to pay their valued workers more, however, agency-based Medicaid delivery costs exceed State reimbursement, and have for several years. The self-directed (PCA) and home health agency cost structures are significantly different. Agencies are highly regulated in CT and



the costly burden of compliance with state and federal regulation is not factored into provider reimbursement rates.

Agency-based home health compliance costs include: employer mandated taxes and fees, employee benefits, workers compensation, mileage reimbursement, business overhead and operational costs, EVV, state surveys and audits, training, orientation and supervision mandates tied to CT Department of Public Health home health agency license requirements.

Agency-based home health providers have not received a CT Medicaid rate increase in over 10 years, except for a 1% increase equaling .15 cents. At the same time, home health agencies have suffered more than \$22-Million in DSS reimbursement cuts over the past 3 years negatively impacting behavioral home health medication administration, pediatric continuous skilled home health care, maternal and child home health services, AIDs care in the home, and home health care delivery in challenging inner-city neighborhoods where nurse escorts are necessary.

CT home health agencies are currently turning away Medicaid clients due to workforce challenges - specifically recruiting and retaining trained home health aides and nurses. Agencies that serve both Medicaid and Medicare beneficiaries need to have an available workforce of home health aides according to CMS regulations.

The dynamics of wage and workforce are intersecting with severe consequence at a time when the CT Medicaid population has more than doubled over the past 5 years and its beneficiaries are aging in place with more complex care needs.

Action Required by DSS and the CT State Legislature to Ensure Access to Medicaid Home Health Services

The State's longstanding underfunding of agency-based home health care has already begun to negatively impact access for CT Medicaid clients. DSS's decision to under reimburse home care agencies will jeopardize the \$103-Million per year in savings that the State of CT achieves as Medicaid clients seek costlier institutional care in the absence of available Medicaid home health services.

The Association and its member home health agency providers are recommending the following solution to stabilize the provider sector that delivers quality care to Medicaid clients and saves the State budget more than \$103-Million annually:



1. At a minimum, restore the recent \$22,355,794 in Medicaid rate cuts to bring home health agencies back up to the 2007 reimbursement rate structure. This can be achieved by a 10.6 % Medicaid reimbursement rate (5.3% increase next fiscal year, followed by a 5.3% increase in the following year).
2. Continue the collaborative discussions that Association and DSS representatives have been having around LEAN Process Management specific to CT Medicaid home health care delivery to reduce duplication, waste and provider costs that do not contribute to quality care. This includes aligning DPH home health agency regulations to the new CMS Conditions of Participation (CoPs).
3. Follow the LEAN initiative with a collaborative discussion and analysis of Medicaid provider rate history with the goal of establishing of a fair and reasonable Medicaid home health provider reimbursement rate schedule. Rates should consider the increased medical complexity of Medicaid clients being cared for in the home along with the aging of State residents, inflation, industry consolidation and workforce competition.

I am available to discuss this challenge and workable solutions with you at any time. Please feel free contact me directly at 203-774-4939 or hoyt@cthealthcareathome.org

Sincerely,

Deborah R. Hoyt
President and CEO

Cc: Roderick Bremby, Commissioner, CT Department of Social Services
Kate McEvoy, Medicaid Director, CT Department of Social Services
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David Gutchen, Long Term Care Planning Committee
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State Senator Joe Markley
State Senator Marilyn Moore
State Representative Jay Case
State Representative Michelle Cook
State Senator Terry Gerratana
State Representative Jonathan Steinberg
State Representative Susan Johnson