

VNA

Visiting Nurse Association of Wallingford, Inc.

135 No. Plains Industrial Rd.
P.O. Box 657
Wallingford, CT 06492

Tel (203) 269-1475
Fax (203) 265-5357
www.vnawallingford.org

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TESTIMONY CONCERNING BEFORE THE HUMAN SERVICES COMMITTEE REGARDING:

*Proposed S. B. No. 388 AN ACT CONCERNING STATE PAYMENT RATES TO
HOMEMAKER-COMPANION AGENCIES.

*Proposed H. B. No. 5302 AN ACT CONCERNING RATES OF PAYMENT FOR
HOME CARE SERVICES.

*Proposed H. B. No. 5663 AN ACT INCREASING FUNDING FOR THE HOME-
CARE FOR THE ELDERLY PROGRAM.

Senator Harris, Representative Villano and members of the Human Services Committee, my name is Ellen Phillips and I am the Executive Director of the VNA of Wallingford, a full service home care agency that has been serving the community for over 88 years.

For the first time ever, my agency is experiencing significant financial difficulties. This has been driven in large part by a shortfall in Medicaid payments, which directly or indirectly account for approximately 45 percent of the Agency's revenues. Last year, home care agencies did not receive a cost of living adjustment from Medicaid despite significant cost increases.

Based on a recently completed annual outside audit, the Visiting Nurse Association of Wallingford, received approximately \$300,000 less than it cost to provide home care services to DSS clients during 2005-6. Two thirds of that loss came from inadequate Medicaid payments for home health aide services while another 20 percent came from inadequate payments for homemaker services.

The VNA of Wallingford has reviewed its operating practices and staffing patterns and has implemented numerous changes in order to reduce costs. Several staff positions have been eliminated. In addition, the Agency has reviewed every expense item and was forced to discontinue a significant amount of its public education activities.



YOUR COMMUNITY HEALTH AGENCY SINCE 1919



Homemaker service is one of the most socially and fiscally effective non-medical homecare services, but it is not reimbursed by Medicare, regular Medicaid or most health insurance plans. The Connecticut Home Care for Elders Program is the Agency's only third party payer for this service. Our losses on this service do not include homemaker services required by, and provided to, clients who are unable to afford the cost of the service but who are not covered by state programs and/or who have no third party payment source.

In compliance with our Mission Statement and policies, the Visiting Nurse Association of Wallingford will care for these clients as well as those who may require sliding scale or free service consideration. The Agency is committed to maintaining its standards of excellence. This VNA has not and will not lower the quality or reduce the quantity of service which each of each client requires.

With many payment sources now reimbursing at rates below cost, the Agency is finding it impossible to continue to subsidize the State of Connecticut in providing service to homebound and/or other clients who require care in their homes. Since it must subsidize a greater and disproportionate amount of service costs, it is doubtful that the Agency will survive without a significant Medicaid rate increase.

I respectfully request that the Legislature appropriate funds for a significant adjustment to Medicaid rates for home care services.

The Board of the Visiting Nurse Association of Wallingford invites you and your staff to shadow our staff as they visit clients and provide care; we invite you to see what home care is and how it improves the lives of the residents of our State. We are confident that first hand observation will convince you how critical it is to provide adequate funding for agencies such as our so that we can continue to provide care to those in need.

Thank you for hearing my concerns. I would be pleased to answer any questions you may have.