

Senator Harris, Representative Villano and Members of the Human services Committee

RE: SB 1128 AA IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATION WITH RESPECT TO SOCIAL SERVICE PROGRAMS.

My name is Marjorie Anderson and I am the owner of a Residential Care Home in the Northwest Corner. I am here to express my opposition to Sections 6 and 12 which apply to Residential Care Homes.

Section 6 mandates that Residential Care Homes have a certain number of staff members certified to administer medications. The bill calls for an "appropriate number of staff to be certified." This is too broad. Each home is so different that it would be difficult for the Department of Public Health to make that determination.

When this issue came up last year, there was no data available to substantiate that this would save the state any dollars on nursing visits. The Department of Social Services did not have data to show that there were more nursing home visits in homes without certified personnel. In fact, our association did an informal survey and found that those homes that were utilizing visiting nurses for their psychiatric residents already had certified staff so this regulation would not have solved the problem.

The certification should not be mandated for a number of reasons. It is very difficult to get the training. There are only two entities in the state that are approved to give the training – one is a pharmacy that only trains their own clients. Second, for homes in outlying areas, it is difficult to get staff to a location where they could be trained. We cannot afford to hire replacement staff while our staff is traveling across the state to be trained.

The regulations requiring administration of medications adds an extra burden of complex paper work and would increase insurance costs for our homes. We cannot afford that....which leads me to Section 12.

Residential Care Homes cannot survive another cap to our rates. Last year, the rates were capped as proposed in the Governor's budget for this year. Over one-third of our homes suffered financially as a result of the cap and lost approximately \$2.5 million dollars. In my home, my expenses are \$7.00 more than I receive from the state to take care of a state-assisted resident. We cannot continue to sustain these kinds of losses. The cost-based rate reimbursement system for Residential Care Homes must be allowed to continue so that state-approved expenses can be recouped.

When we entered this industry, the state made an agreement that we would be compensated under a "rate reimbursement system". Now the state is breaking that agreement. I can not do that with my service providers. I still have to pay for food, staff raises, increased electric, fuel, and insurance costs and, often, one-time unforeseen expenses. I can't just stop paying my bills.

Further, the bill is written so that it gives a 2% increase even to those homes which might have a reduction in costs according to the cost-based reimbursement system. Why would you do that while you are taking money away from others whose costs have increased substantially?

I respectfully ask that you reject these portions of the Governor's budget regarding Residential Care Homes.