

THE CONNECTICUT ASSOCIATION  
*for Home Care, Inc*

Incy S. Muir, RN, CNA, MPA  
Chair, Board of Directors

Brian Ellsworth  
President/Chief Executive Officer

TESTIMONY  
BEFORE THE HUMAN SERVICES COMMITTEE  
REGARDING:  
S.B. No. 1128

AN ACT IMPLEMENTING THE GOVERNOR'S RECOMMENDATIONS WITH RESPECT TO  
SOCIAL SERVICES

February 27, 2007

Senator Harris, Representative Villano, members of the Human Services Committee, my name is Brian Ellsworth and I am President & CEO of the Connecticut Association for Home Care, whose members serve over 75,000 elderly and disabled Connecticut citizens. The Association appreciates this opportunity to speak to you about our concerns about how the Governor's budget recommendations affect home care.

**Lack of A Cost of Living Adjustment**

Our primary concern about the Governor's budget proposals is the omission of a cost of living adjustment for home care providers, including home health and homemaker-companion agencies.

**Home care providers did NOT receive a cost of living adjustment last fiscal year**, yet we continue to face increased wage costs due to critical labor shortages, as well as double digit health insurance and staff mileage reimbursement costs. Current Medicaid rates for home health services are already approximately 30 percent below total costs.

This funding shortfall fundamentally undermines home care's ability to provide the preferred form of care for patients, their families and the taxpayer. Last year, the CT Home Care Program for Elders saved the State over \$74 million dollars through reduced nursing home use.<sup>1</sup> Our recommendations for specific increases are attached to our testimony.

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<sup>1</sup> Annual Report by DSS on the CT Home Care Program for Elders - CT's Medicaid waiver program. Unfortunately, according to AARP, CT still ranks 5<sup>th</sup> in the country for nursing home residents per 100 age 65 persons.

**Exempt Federal Share of Medicaid from the Spending Cap**

Recently there has been much discussion about making exceptions to spending cap for increased funding for education. We respectfully suggest that if exceptions are to be made, the first place to start is with the federal share of increased funding for Medicaid. The federal funds stimulate CT's economy<sup>2</sup> and there is no rational reason why they should be held to a spending cap.

**Unwise Proposal to Mandate RCHs to Have Unlicensed Personnel Administer Medications**

Section 6 of the bill contains a proposal that Residential Care Homes (RCHs) be required to employ certified unlicensed personnel to administer medications. As we did last year, the Association **opposes** this mandate as penny-wise and pound-foolish. The current hybrid model that permits use of certified unlicensed personnel (to administer medications) in residential care homes and/or home health nurses making medication administration visits provides for much needed flexibility as well as for medical supervision of residents who may need more care & oversight. In lieu of this proposal, we recommend DSS explicitly clarify regulatory definitions regarding duplication of services between home health agencies and residential care homes. There is no need, however, for an additional statutory mandate on these already under-funded homes.

**CAHC Budget Initiatives**

The best long-run strategy for cost containment in the health arena is **prevention**. The Association's 2007 Legislative Agenda calls for direct funding for flu shots and telemonitors provided to Medicaid patients. We believe that these worthy preventative efforts will be self-financing and merit your consideration.

Thank you for consideration of our comments. I would be pleased to answer any questions you may have.

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<sup>2</sup> See especially: [http://www.familiesusa.org/assets/pdfs/Good\\_Medicine\\_2004\\_update93b7.pdf](http://www.familiesusa.org/assets/pdfs/Good_Medicine_2004_update93b7.pdf)

## ATTACHMENT

### Medicaid Rate Recommendations & Fiscal Analysis

#### CT Association for Home Care

February 27, 2007

- *As a starting point*, Medicaid home care fees, including nursing, therapies, home health aide and homemaker/chore services need to be increased by at least **9 percent** to account for recent (4%, 2006) and projected (5%, 2007) increases in the costs of caring.

*(Annual cost: \$22 million, half of which is federally reimbursed.)*

Fees for **home health aide services** and **hourly nursing** (primarily provided to medically complex kids) need to be increased by an **additional 15 percent**. The total cumulative recommended increase for those two service lines is 24 percent (9% basic increase plus 15% additional), which will only ensure that the fees cover the direct costs of care. Future increases will be needed to begin to make a contribution to overhead.

*(Annual cost: \$11 million, half of which is federally reimbursed.)*

- *Next*, the language in the statute (Sec. 17b-242) that states the Commissioner of Social Services...

“**may** annually increase the fees based on increases in the cost of services”

*should be changed to:*

“**shall** annually increase the fees by the consumer price index for urban consumers.”

- *Finally*, the fee structure for “subsequent visits” (visits by one caregiver to two or more people at the same household) should be described in statute and be no less than 75% of the full fee for a standalone visit. The current policy is 50% and regulations are pending that would propose to make the policy more ambiguous.

