



TESTIMONY
SUBMITTED TO THE HUMAN SERVICES COMMITTEE
REGARDING SB 34, AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET
RECOMMENDATIONS REGARDING SOCIAL SERVICES PROGRAMS

February 26, 2008

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 & Hospice (CAHCH), whose members serve over 80,000 elderly, disabled and terminally ill Connecticut citizens. The Association appreciates this opportunity to speak to submit testimony about how the Governor's budget recommendations affect home care & hospice.

Section 4 - Mandate RCHs to Have Unlicensed Personnel Administer Medications

Section 4 of SB 34 proposes that Residential Care Homes (RCHs) be required to employ certified unlicensed personnel to administer medications. As we have over the last two years, the Association **strongly opposes** this mandate as penny-wise and pound-foolish. The current hybrid model that allows the use of certified unlicensed personnel in RCHs and/or home health nurses making medication administration visits provides for much needed flexibility for differing patient populations. It also provides for medical supervision by a home care nurse for those residents who may need more care & oversight. There is no need for an additional mandate on already under-funded rest homes.

Section 6 - Medicaid Hospice Benefit

The Association is very pleased to support the Governor's proposal to add the hospice benefit as an option for Medicaid patients. The addition of the hospice benefit to Medicaid, as 47 other states have done, will fill gaps in coverage in CT's otherwise excellent hospice delivery system. The benefit will allow hospices to provide the full array of end of life services to the Medicaid patients and their families.

We have some concerns about how the language in this section is drafted. It appears to provide some discretion as to whether or not the Medicaid hospice benefit would actually be enacted (depending on whether the Department of Social Services and the Office of Policy & Management agree that its implementation is cost effective.) This language should be removed and replaced with clear language requiring implementation of the benefit.

We would be pleased to provide a briefing on the Medicaid hospice benefit to interested members & staff of the General Assembly as well as the Department of Social Services.

Lack of A Cost of Living Adjustment

Unfortunately, the Governor's budget proposal omits a cost of living adjustment for Medicaid. Home health and homemaker-companion agencies continue to face increased wage costs due to critical labor shortages, as well as double-digit health insurance and staff mileage reimbursement costs. The attached chart shows that Medicaid rates for home health services are approximately 30 percent below costs. Our concerns are heightened by recent actions by the federal government, which lowered Medicare home health payment rates by 12 percent over the next four years, thus removing an important source of funding for Medicaid deficits

Medicaid rates that are significantly below costs fundamentally undermine home care's ability to provide the preferred form of care for patients, their families and the taxpayer. In 2006, the CT Home Care Program for Elders saved the State \$115 million dollars through reduced nursing home use.¹ Moving towards a "rebalanced" long term care system, as called for by the recently completed Long Term Care Needs Assessment (and the Governor's proposed budget adjustments), will simply not be possible without adequately funding home care. *Medicaid rates need to be increased by 30 percent to match the costs of care and an ongoing, automatic cost of living adjuster needs to be placed in statute.*

Thank you for consideration of our comments.

¹ Annual Report by DSS on the CT Home Care Program for Elders - CT's Medicaid waiver program.

ATTACHMENT

2006 Medicaid Home Care Rates Compared to 2006 Costs

<u>Median Cost Compared to Medicaid Rate</u>			
	2006	Medicaid	
	<u>Median Cost</u>	<u>Rate</u>	<u>% Chg</u>
SN Visit	\$ 129	\$ 92	-29.0%
PT Visit	\$ 110	\$ 80	-27.1%
OT Visit	\$ 102	\$ 78	-23.3%
ST Visit	\$ 110	\$ 78	-29.3%
MSW Visit	\$ 140		
HHA Per Hour	\$ 35	\$ 24	-32.7%
Source: 43 CT home health agencies' Medicare Cost Reports			
Sample does not include any hospital based agencies			
Home health aide average hours per visit = 1.4 in 2006			