



Testimony Before Appropriations Committee

Thursday, March 11, 2010

Senator Harp, Representative Geragosian and members of the Appropriations Committee. Thank you for giving me the opportunity to speak before you this evening. I am Susan Faris, President of VNA Community Healthcare, a not for profit home care agency having served Connecticut residents for 100 years.

I am here to testify against the Governor's proposed 5% rate reduction to Medicaid providers which includes home care providers. My agency currently provides service to over 1,000 patients a day. Twenty-five (25%) of those patients are Medicaid patients. **The proposed 5% reduction in Medicaid payments represents over \$438,000 in lost revenue to my agency.** Six years ago Medicaid cut rates for some services by 40%. This agency's operating income for the total of the last six years nets to a loss. Donations and investment income represents our bottom line.

For several years, we have heard that the State is committed to decreasing utilization of institutional care and increasing the number of people receiving long term care (LTC) in their communities and in their homes. The Connecticut Regional Institute for the 21st Century, formed in 1997 and composed of public and private leaders, to exchange ideas about increasing the State's economic growth recently published a report titled "Assessment of Connecticut's Long Term Care System." The study cited that "the increasing population of residents over the age of 65 and the reduction in number of family members who will care for them will drive a significant increase in demand for LTC in Connecticut. Rebalancing the bias from institutional LTC to home and community based care could help the State avoid more than \$900 million in annual LTC costs by 2025. The report also states that Connecticut ranks 34th among states and is below the national average and many New England states in its rebalancing efforts.

Early program results of Money Follows the Person, a Connecticut initiative designed to promote personal independence and achieve fiscal efficiencies has shown an average monthly cost decrease from \$2,651 for institutional care to \$963 for home and community based care. Obviously the home care industry can play an important role in helping the State reduce costs for Long Term Care however we can only do that if we can continue to operate. Currently, Medicaid rates do not cover the cost of providing services to Medicaid patients. An additional 5% reduction in reimbursement will imperil my agency's ability to continue to provide care to the most frail and elderly of our Connecticut residents.

Thank you for the opportunity to present this testimony.

Susan Faris, President & C.E.O.
VNA Community Healthcare

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