STAVROS
CENTER FOR INDEPENDENT LIVING, INC.

March 8, 2016

Dear Members of the Human Service Committee,

My name is James Kruidenier and I am the Executive Director of Stavros Center for Independent Living, Inc., a 501(c)(3) not-for-profit Massachusetts corporation with headquarters in Amherst (MA). Stavros serves as one of three Fiscal Intermediaries for the consumer-directed portion of the home care services provided by the State of Massachusetts under the MassHealth program for consumers funded under a number of Medicaid waivers. I am providing testimony today regarding House Bill 5586, *An Act Concerning Workers' Compensation Coverage For Injuries Sustained By Personal Care Attendants Employed Directed By Consumers In State-Funded Programs*, because Stavros has experience with the provision of Workers Compensation liability coverage for Personal Care Attendants.

Stavros is the FI for approximately 13,000 Personal Care Attendants in Massachusetts, who provide home care services and supports to approximately 8,600 consumers with physical, developmental, age-related, and/or cognitive disabilities. Our responsibilities include the receipt and review of time sheets submitted by users of the program (Employers) on behalf of their Personal Care Attendants (PCAs), and ensuring the prompt payment of all PCAs as well as the payment of all required state and federal taxes. **We also purchase Workers Compensation liability insurance on behalf of all PCAs to whom we issue paychecks, regardless of the number of hours those individuals are working.**

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For the last 11 years, we have been purchasing one group policy from Atlantic Charter, which covers all individuals on the home care payroll we administer. The same company also provides identical policies to the other Fiscal Intermediaries for these Medicaid waiver programs in Massachusetts. As soon as a worker is enrolled as a Personal Care Attendant with Stavros, she or he is covered for any work-related injuries under that policy. The policy provides – contingent upon review by Atlantic Charter – medical care, doctor visits, hospital care, surgery, physical therapy, chiropractic treatment, and pharmaceuticals for individuals who have been injured while assisting and supporting Massachusetts consumers.

When the three Fiscal Intermediaries were making arrangements to ensure the availability of such coverage, we were insistent on having one policy to cover all PCAs. The alternative, where each employer (consumer of service) would enter the risk pool, would be chaotic, extraordinarily difficult to administer, and much more expensive for the Commonwealth. Instead of paying the fee insurance companies charge on each individual policy, we pay just one fee and then about 1.5 cents per $100 of payroll. This comes to an average payment of about $250 per consumer participating in the Medicaid waiver program. It is my understanding that in Connecticut, the fee for purchasing an individual policy is an additional $220 per policy annually, so those fees can really add up.

While we were initially concerned that there would be a large number of pay-outs and ever-increasing costs related to this insurance, the reality has been quite different. The cost has remained eminently affordable, and – in my view, at least – the insurance company and the broker are valuable partners with the Fiscal Intermediaries and MassHealth as we work to ensure adequate care for eligible MassHealth members and cost effectiveness for the system.

I will also note that creating a threshold for eligibility for this insurance was never practical. Given the nature of the work, where a PCA may have to cover for another PCA during one pay period, or may find additional work with another consumer, the hours worked by each PCA can be highly variable from one pay period to the next. In addition, even PCAs working a handful of hours each pay period may be doing critical work for their employers, and as such they merit protection against injury.

Workers Compensation is part of the "Employer Expense Component" provided to the Intermediaries by the Commonwealth. The EEC includes Workers Compensation, unemployment insurance, and all applicable state and federal taxes, and is calculated each year by MassHealth based on the previous year's experience. There is an annual reconciliation that leads to either a reimbursement to the Commonwealth of unspent funds or an additional payment to the Intermediaries. This EEC is also a federally reimbursable expense under Medicaid, so the Commonwealth is reimbursed about fifty cents per dollar expended (or higher, depending on the status of applicable waivers).

James Kruidenier, Executive Director

Stavros Center for Independent Living, Inc.