

Testimony of Elaine Cole
President, Connecticut Association of Residential Care Homes

**H.B. No. 5044 AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES FOR THE FISCAL
YEAR ENDING JUNE 30, 2017.**

Department of Social Services Budget- Residential Care Home Funding
February 11, 2016 Appropriations Subcommittee on Human Services Public Hearing

Senator Bye, Representative Walker, Senator Flexer, Representative Abercrombie and Members of the Appropriations Subcommittee on Human Services, my name is Elaine Cole. I am the President of the Connecticut Association of Residential Care Homes and the owner of Mystic River Residential Care located in Mystic.

The Connecticut Association of Residential Care Homes includes the majority of the estimated one-hundred homes in the state. Residential care homes have a total capacity of approximately 2,750 licensed beds that provide services to Aid to the Aged, Blind and Disabled eligible residents. The average rate is approximately \$93.00 per day. Residential care homes are not medical facilities nor do we provide medical care. We do, however, serve an important function in providing housing to some of the most vulnerable citizens in Connecticut.

We serve about 3,000 residents with about a 95% Census Level of which about 94% are state funded beds- limiting our ability to cost shift. An estimated 75% of our residents have behavioral health or mental health diagnoses with the remainder being elderly residents. Without residential care homes the overwhelming majority of our residents would be served in a much more costly environment- nursing homes, hospitals or other more intrusive institutional settings.

Since 2010 our rates have been frozen meaning new costs associated with the RCH have often not been reimbursed. This has come at the cost of improvements to residential care homes, employee wages and benefits being stagnant or cut, and activities and recreation expenditures being sacrificed. In fact, in some cases in order to just meet operating costs some home owners have had to take out personal loans or put expenses on personal credit cards. This is unacceptable.

It is particularly troubling that most homes have not been able to provide increased wages or benefits. Despite dealing with the most vulnerable in the state, people with mental health diagnoses and the elderly, most employees have not seen a rate increase and make only slightly more than minimum wage. A recent survey showed the average wage to be \$12.34

The lack of certainty prevents homes from increasing wages when there is a history of frozen rates and thus an inability to build in wage increases into the RCH rate.

CARCH understands the difficult decisions that need to be undertaken in the budget but would urge the committee to consider the impact of the budget on residential care homes, our employees and some of the most vulnerable in the state. Our industry cannot continue to progress without the full support of the state. Without homes like mine these residents would require greater expenses and face higher overall healthcare costs.

Thank you for your time and consideration.

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