

## TESTIMONY

Delivered by Deborah R. Hoyt, President and CEO  
The Connecticut Association for Healthcare at Home

### **Legislative Program Review and Investigation Committee Public Hearing on the Factors Influencing Receipt of Long-Term Care Services and Supports in Home and Community Settings**

**September 21, 2016**

Good afternoon honorable members of the Legislative Program Review and Investigation Committee. My name is Deborah Hoyt, President and CEO of the Connecticut Association for Healthcare at Home.

The Association is the united voice for approximately 100 Connecticut licensed home health and hospice agencies that provide cost-effective, person-centered healthcare for Connecticut's Medicaid population in the setting they prefer most – their own homes.

**According to a 2015 Department of Social Services (DSS) report to the Connecticut State Legislature, home and community-based service providers have SAVED the State's more than \$621.2- million over a six-year period (2009-2014)** by providing high-tech nursing, chronic care management, wound care and rehabilitation services to Medicaid clients in the Money Follows the Person (MFP) and CT Home Care Program for Elders (CHCPE), among other waiver programs.

The favorable savings of \$621.2-million over six years – that's an average of over \$103-million per year, demonstrates that LTSS rebalancing to home and community-based providers in Connecticut is working.

A recently released report by Connecticut AARP/Health Management Associates on Connecticut home and community-based services concludes that:

- “Home and Community-Based Services are a cost-effective alternative to institutional care, and source of significant savings to the State of CT General Fund.”
- “Connecticut can serve nearly three individuals in the community for every person served in a nursing home.”
- “Home and Community-Based Services are an important resource for family caregivers supporting their loved ones ...who are trying to balance their care giving responsibilities with their own work responsibilities.”

Additionally, a 2013 AARP review of 38 Home and Community-Based studies from 25 states revealed a common theme: “consistent evidence of cost containment and a slower rate of spending growth (are a byproduct of) states expanding home and community-based services.”

**While the savings have been quite favorable for the State, a crisis has been brewing for the providers who have been the source of these savings.**

CT Medicaid home health agency reimbursement covers only approximately 60 cents on the dollar of a home care agency’s costs to provide care to these state clients. Meaning, each day, each client served comes at a financial loss to the provider agency. As the volume of Medicaid clients and the complexity of their health care needs increase, home health agencies are challenges with finding offsets for the losses as well as finding quality workers to meet the demand. With commercial insurance reimbursement at or lower than state Medicaid, and federal Medicare reimbursement having been ratcheted down by 17% over the past 4 years, the ability for home health providers to shift losses has dried up.

**Ensuring the viability of our home health agencies, and the continued savings to the State, should be paramount as this Committee undertakes this Study.**

Connecticut must ensure the network of CT’s licensed home healthcare providers receive adequate reimbursement for services provided to meet the goals of the State’s Medicaid Long-Term Services and Supports 3-Year Plan; achieve CT’s Rebalancing Plan (transitioning Medicaid beneficiaries from nursing homes to community settings); and attaining CT’s Goals under the federally-supported Money Follows the Person Program (MFP).

We respectfully recognize that the State faces serious budget challenges in the near- and long-term, however, the greatest threat to access of care for CT Medicaid clients is the longstanding underfunding of its licensed Medicaid home health providers.

Continued underfunding will reverse the progress made to date in the state’s rebalancing efforts and force clients back into institutionalized care due to a shortness of capacity and access by home health providers.

A potential solution the Committee may want to explore would be to reinstate the “Long-Term Care Reinvestment Account”, first established by the State in 2009 as Section 5. Subsection (a) of section 17b-371 of the general statutes – a fund that was established, but never funded, and soon thereafter closed.

Revisiting this concept would enable savings achieved from rebalancing efforts to stabilize and strengthen the home and community-based provider network so it can continue to work favorably for Medicaid clients and achieve savings for the State.



Home health agencies have made a significant sacrifice and contribution for more than 100 years in Connecticut. They have tightened their belts in terms of efficiency, complied with costly and onerous new regulations and laws requiring operational changes such as Electronic Visit Verification (EVV), minimum wage and employer health benefits, while keeping up with an 11.4% cost of living increase – all without an increase in Medicaid reimbursement for 9 years.

Reimbursement to CT Medicaid behavioral home health nursing medication administration was cut by 15% on July 1, 2016 causing significant operational disruption to our state's home health providers who thousands of residents with persistent and serious mental illness rely upon to remain stable and functioning in their homes.

**The State's strategy of offering incremental adjustments in years when the state budget can squeeze out a few cents is not a strategic long term solution to meet the state's growing need for home-based care.**

Facing tremendous state budget deficits for the foreseeable future and the likelihood of future Medicaid provider rate cuts will eventually implode the home health provider network.

We understand the seriousness of the budget challenges being faced by our state and desire to work collaboratively on sustainable solutions based on available data. Please consider the Association and its providers as a resource.

Thank you for the opportunity to provide testimony before you today. I welcome any questions you may have.

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