Testimony to the Appropriations Committee

Submitted by Andrew H. Banoff, Jewish Senior Services

March 5, 2019

Regarding the Governor’s Budget Proposals Related to the Department of Social Services

HB 7148, AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIAL ENDING JUNE 30, 2021, AND MAKING APPROPRIATIONS THEREFOR

On behalf of Jewish Senior Services, a member of LeadingAge Connecticut, I am pleased to submit the following testimony regarding the Governor’s Budget Proposals related to the Department of Social Services.

My organization supports the testimony that has been submitted by LeadingAge Connecticut, and in particular their request for an increase to the Medicaid rates of reimbursement for providers of aging services.

We appreciate the recent rate increases that were directed to employee wages. Unfortunately, however, these increases were not enough to make up for years of receiving no increases. For home and community-based providers, the 2% rate increase received on January 1 was the first increase authorized since 2015, and that increase was limited to 1%. Nursing homes have not had a general nursing home rate increase since 2012. That increase was the direct result of an increase to the nursing home provider tax, and the following year the nursing home rates were cut. Meanwhile, the costs associated with the delivery of quality care, both in the community and in the nursing home, continued to rise while the rates remained stagnant.
Now, the gap between rates and costs could widen ever further if the General Assembly enacts the Governor’s proposed increase in the minimum wage, which will impact all of aging services. When the minimum wage is increased, it raises the entire wage scale and increases the cost of corresponding benefits. As a result, we anticipate a significant increase in our labor costs.

So, while we are appreciative of recent increases, we urge the Committee to recommend an annual increase in the Medicaid reimbursement rates across the continuum of long-term services and supports, as well as increases to specifically address the additional costs due to a minimum wage increase if it is enacted. Quality services, supports and health care for aging adults cannot be sustained without rates of reimbursement that cover the cost of providing them.

Thank you for your consideration of this testimony.

Respectfully submitted,

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