TESTIMONY

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

Appropriation Committee – Human Services Budget
Public Hearing

March 5, 2019

Regarding the Governor’s Budget for Human Services

Good afternoon Senators Moore and Maroney, Representatives Abercrombie and Wilson-Pheanious, and distinguished members of the Human Services Committee.

My name is Deborah Hoyt, President and CEO of the CT Association for Healthcare at Home. The Association is the united voice for Connecticut’s licensed (medical) home health and hospice agencies who collectively employ a workforce of 20,000 nurses, therapists and professional staff that provide cost-effective, person-centered in-home healthcare for Connecticut residents in the setting they prefer most – their own homes.

Home-based healthcare offers a tangible return on investment and is a SAVINGS vehicle for the State. According the CT Dept. of Social Services (DSS) data, The CT Home Care for Elders (CHCPE) Program saved $360-Million last year alone by keeping Medicaid clients’ chronic conditions managed and individuals out of hospital emergency rooms and institutional facilities. This continues a 12-year State Budget savings trend totaling $1.7 Billion.

Home health agencies serve the State’s 800,000 Medicaid clients as well as senior adults on Medicare and people of all ages with commercial health insurance. Home health and hospice is a growing industry offering rewarding careers in all 169 CT towns and cities. However, the future of our provider sector is threatened due to longstanding inadequate Medicaid reimbursement and unreimbursed care (social work). We are also experiencing significant agency consolidation and closures.

We fully understand that a Medicaid reimbursement rate increase to catch up for more than a decade of reimbursement that does not cover the cost to provide home-based care to the Medicaid population, is not realistic in our current State Budget situation.

We are also very concerned about the business costs associated with the proposed $15 minimum wage, Paid Family Medical Leave, and highway tolls – all of which would increase operational costs, but have no “pay for”. Home health and hospice agencies can’t increase their prices. Their source of revenue/reimbursement is Medicaid, Medicare and private insurance – all of which offer slim or negative margins.
We have calculated that a CT Medicaid increase of more than 22 percent is necessary to offset the losses and out of pocket costs that home health agencies have withstood for the past 5 years due to DSS mandates and reimbursement cuts. These include: Electronic Visit Verification, Elimination of four Home Health Add-On reimbursement categories (Pediatric, AIDS, Maternal Child Health and Escort Services) as well as DSS audits and extrapolation takebacks, Medication Administration pay cut for RNs, etc.

In the absence of a CT Medicaid rate increase for home health agencies, we would like to offer options for your consideration. Other states are exploring these ideas to ensure that home health agencies remain viable and able to serve Medicaid clients into the future:

1. Washington State’s legislative proposal would increase Home Health Medicaid rates to match (federal) Medicare rates. This proposal is currently budget neutral: https://app.leg.wa.gov/billsummary?BillNumber=5828&Year=2019
2. Modify the existing CT DSS Medicaid reimbursement rate structure to adjust for client acuity – meaning that more complex home health services would be paid at a higher rate reflecting the added time, clinical expertise and care coordination necessary to serve that Medicaid client. DSS and OPM are open to having this discussion.
3. Build in modest annual CT Medicaid reimbursement rate increases to address the significant gap created over the past decade and alleviate further deterioration of the home health agency safety net due to inadequate reimbursement.

Thank you for the opportunity to provide testimony. Feel free to contact me with any questions.

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