



TESTIMONY

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

Labor and Public Employees Committee
Public Hearing

February 14, 2019

IN OPPOSITION OF: SB 1: AN ACT CONCERNING PAID FAMILY AND MEDICAL LEAVE

Good afternoon Senator Kushner, Representative Porter, Senator Miner, Representative Polletta and members of the Labor and Public Employees 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 care is a SAVINGS vehicle for the State. According the Dept. of Social Services (DSS), The CT Home Care for Elders Program saved \$360-Million last year alone by keeping Medicaid clients' chronic conditions managed and out of hospital emergency rooms and nursing facilities.

These 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. The future of our provider sector is already threatened due to longstanding inadequate reimbursement and unreimbursed care. Adding any additional financial burden, like SB 1, will force agency closures, discharge of Medicaid clients (due to below-cost reimbursement) and a reduction in the \$360-Million in annual savings the State budget depends upon.

Many of the Association's member agencies already provide their own form of paid family and medical leave programs to their employees.

The Association and its member home health and hospice agencies have serious concerns about the FMLA mandate proposed in SB 1 as it is inflexible, duplicative, prescriptive and unaffordable especially for home health agencies with thin or negative margins due to more than a decade of under-reimbursement by the State of CT for the Medicaid home health services provided.

Paid FMLA is not free. Workers, employers and CT taxpayers will bear a significant cost if this proposal is passed. This new mandate would not be good for CT business in general and specifically to home health and hospice agencies and their employees.



- Workers will see pay reductions of at least 0.5% whether they utilize this benefit or not.
- Employers will be required to continue to pay non-wage costs for those using the program (unemployment compensation, workers' compensation, health insurance, etc.)
- Taxpayers will pay for the projected \$13 million in startup costs and \$18 million in ongoing costs to administer the program.
- Employers will be responsible for administrative compliance, such as transferring wage deductions to the state and managing workplace absences.
- Employers, particularly our smaller home health and hospice agencies, will bear the cost to hire replacement workers, in an already challenging recruiting environment.
- Employers have already made efforts to offer greater flexibility in the benefits they provide to workers, which run the risk of being reduced to comply with the one-size-fits-all requirements of the program.

Please consider the immense burden that this proposed paid FMLA imposes on employers and Connecticut's struggling economy. The Association concurs with CBIA's suggested amendments to the proposed bill including:

- Ensure that employee funding meets the benefit cost.
- Consider adopting a 60–70% wage replacement rate, similar to other states.
- Consider stronger provisions that discourage fraud.
- Consider treating all employers equally, whether they are sole proprietors, the state of Connecticut, or any other type of employer.
- Consider not requiring employers who use independent contractors to pay this benefit to their contractors.
- Consider allowing employees to opt out of the program.

Thank you for the opportunity to provide testimony and express the negative implications that this action would have on home health and hospice agencies. Feel free to contact me with any questions.

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