

Human Services Committee JOINT FAVORABLE REPORT

Bill No.: HB-6636

AN ACT CONCERNING COVID-19 AND ENHANCED FEDERAL MEDICAID

Title: FUNDING.

Vote Date: 3/31/2021

Vote Action: Joint Favorable

PH Date: 3/25/2021

File No.:

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SPONSORS OF BILL:

Human Services Committee

REASONS FOR BILL:

This bill requires the Commissioner of Social Services to use enhanced federal Medicaid reimbursement (EFMAP) to increase rates for Medicaid providers. It aims to expand access to care under the Medicaid program throughout the COVID-19 pandemic. This will provide financial relief to Medicaid providers who have incurred increased costs throughout the pandemic.

RESPONSE FROM ADMINISTRATION/AGENCY:

Deidre S. Gifford, Commissioner, Department of Social Services, opposes this bill. Commissioner Gifford notes that the 6.2% reimbursement increase, “cannot be freely distributed without corresponding state obligations” and “such investments still require state funding of 43.8% of the new expense.” Commissioner Gifford states that the proposed increase is not reflected in the Governor’s budget. She also comments that EFMAP is time-limited, and these funds were “intended to help mitigate the need for state Medicaid budget reductions.” Commissioner Gifford explains the significant investments into the human services system, including Medicaid provider relief, through the state’s allocation of federal Coronavirus Relief Funds (CRF). Other investments in Medicaid rate relief have been provided, and for this reason, the Department cannot support this bill.

NATURE AND SOURCES OF SUPPORT:

Greg Allard, President, Association of Connecticut Ambulance Providers

Bruce Baxter, Interim President, Connecticut EMS Chiefs Association

They support this bill and recommend adding an increase to all Emergency Medical Service ambulance rates. Ambulance providers have experienced rate cuts throughout the years which have resulted in many challenges. Also, COVID-19 has significantly increased the cost of each transport, while lowering call volume. Mr. Allard comments that an increase in Medicaid rates for EMS providers is “critical in ensuring a responsive, robust, and stable EMS system for all Connecticut residents.” Mr. Baxter adds that the EMS Chiefs Association would urge an amendment to increase Medicaid reimbursement for the provision of essential ambulance services for Medicaid beneficiaries by 11%.

20 individuals, on behalf of their nonprofit organizations, support this bill. Each testifier emphasized that the EFMAP is a once-in-a-lifetime opportunity to address the crisis in funding for nonprofits throughout the state. This bill has the opportunity to “provide significant support to help community nonprofits emerge from COVID-19 stronger and more ready to meet the needs of our communities.” They explain that the much-needed CRF dollars were spent last year to address immediate COVID-19 related expenses. The State has not used the increased federal Medicaid match to increase rates or compensate providers. When Medicaid rates are increased to help cover the cost of care, providers can attract staff, expand access to services, and serve more people. Some testifiers emphasize that chronic underfunding has contributed to the current staff shortages, which jeopardize the viability of nonprofits.

Mag Morelli, President, LeadingAge CT

Tracy Wodatch, President and CEO, Connecticut Association for Healthcare at Home

Steven Wolfe, CT Executive Director, KenCrest

Each testifier notes that quality aging services cannot be sustained without rates of reimbursement that cover the cost of care. Without these increases, Ms. Wodatch notes “agencies have been forced to make the difficult decisions to decrease caring for Medicaid clients or stop altogether.” Ms. Morelli requests a reference to the 10% increase in the federal match for Medicaid Home and Community-Based Services (HCBS) within the bill. All testifiers comment that increased HCBS funding will provide critical relief to address workforce shortages and the increased costs of services. Ms. Wodatch notes that relief funding is finite and limited. She urges the legislature to reinvest long-term into the growing need for home care services.

Mario D’Aquila, Chief Operating Officer, Assisted Living Services, Inc. supports this bill with an amendment. Assisted Living Services requests that starting July of 2021 providers receive a 9% increase in rates. Then, in the subsequent years, receive respective 9% increases to align with the ever-increasing minimum wage. Mr. D’Aquila notes that this increase will allow them to break even when providing services to clients on Medicaid waiver programs. Without this increase, they “will be faced with an impossible feat of continuing to provide services to clients funded by the Medicaid waiver programs.”

Janine Fay, President/CEO, VNA Community Healthcare & Hospice, supports this bill. Due to low Medicaid reimbursements, which do not cover the cost of care, VNA Community

Healthcare & Hospice's financial losses were unsustainable. As a result, they decided to limit the number of Medicaid patients they could serve. Ms. Fay states that the only way to correct this crisis is to utilize the enhanced Medicaid funding in the short term and increase the rates permanently for the longer term.

Home Care Association of America of Connecticut (HCAOA) supports this bill. HCAOA CT "seeks a nine percent increase in Medicaid reimbursement to help agencies maintain current services and keep pace with ever-increasing costs." This increase is needed to balance the exponential costs incurred through the pandemic, as well as increases in minimum wages. HCAOA notes that home care enables elderly and disabled people to receive care in the setting they prefer and prevents them from being admitted to the hospital or long-term care facilities. This saves the state significant resources.

Coco Sellman, Founder and CEO, Allume Home Care supports this bill with two requests. Ms. Sellman urges the passage of this bill because, without financial relief, Allume Home Care is unsustainable and may be forced to shut down. Ms. Sellman requests providing two relief payments to Medicaid providers with the allotted federal funds: one now and another in six months. These relief payments would help home health agencies "recover from the losses of the last 12 months, invest in recruiting, and pay competitive wages." The second request is to increase Medicaid extended care rates for LPNs and RNs. By attracting workers, the state will avoid high institutional costs and increase access to care for complex care patients.

NATURE AND SOURCES OF OPPOSITION:

None expressed

Reported by: Gianna Vollano

Date: April 8, 2021