

TESTIMONY

Submitted by Mario D'Aquila, MBA, COO
Assisted Living Services, Inc.
Appropriation Committee – Human Services Budget Public Hearing

March 25, 2021

Regarding House Bill 6636, An Act Concerning COVID-19 and Enhanced Federal Medicaid Funding.

Dear Honorable Chairs and Ranking Members of the Appropriations and Human Services Committees:

My name is Mario D'Aquila, and I am the Chief Operating Officer of Assisted Living Services, Inc. Our company has been providing quality homecare services to Connecticut seniors since 1996. When my great grandfather was diagnosed with Alzheimer's and living at home alone was not possible, my mother stepped in to provide the necessary homecare. At that moment our company mission was established: *to provide a broad range of services which promote independent living and help to maintain each client in his/her home environment as long as possible. Through these services, elder adults will be able to live their lives at the highest level of quality possible, maintain dignity, hold onto their assets, and stay healthier – both in mind and body.*

We provide services to many seniors throughout the state, but our main client base are clients that are funded by Medicaid waiver programs. Over 60% of our company's clients are funded by the Connecticut Home Care Program for Elders (CHCPE) and other Medicaid waiver programs. These programs are an integral component in keeping our beloved seniors aging in place safely and happily at home. Not only do these programs support a higher quality of living for our seniors, but they also save the state a tremendous amount of funds. According to the CT Dept. of Social Services (DSS) data, the Connecticut Home Care Program for Elders (CHCPE) saved \$398-Million in 2018 alone by keeping Medicaid clients in their homes and out more costly institutional settings. This continues a 13-year State Budget savings trend totaling \$2.1 Billion (2006 to 2018).

Although we are entirely supportive of increasing our valuable employees' wages (through the recent and upcoming minimum wage increases) we will be faced with an impossible feat of continuing to provide services to clients funded by the Medicaid waiver programs such as the CTCPE if there is not an increase in rates for providers.

Last year providers were granted a 2.3% increase in rates for the valuable services provided. Minimum wage was increased from \$11.00 per hour to \$12.00 per hour in September 2020 (a 9% increase in wages). With the 9% increase in wages the response from DSS was to increase our rates by 2.3%, which although somewhat helpful, ultimately amounted to providers taking an 6.7% reduction in net operating income. This reduction is magnified significantly when you add the other necessary payroll costs such as FICA, FUTA, SUTA, Workman's compensation insurance.

Over the next 5 years direct wage costs are going to be increased over 48.51% for all home care providers since 2019. The target minimum wage increases are scheduled as follows: \$11/hr – 2019, \$12/hr – 2020, \$13/hr – 2021, \$14/hr – 2022, and \$15/hr – 2023. This will make providing QUALITY services to clients on the Connecticut Home Care Program for Elders (CHCPE) and other Medicaid waiver programs IMPOSSIBLE without significant rate increases to providers.

We are asking for rate increases that will cover all our payroll costs to at least break even on providing services to clients on the Connecticut Home Care Program for Elders (CHCPE) and other Medicaid waiver programs. Without this necessary rate increases providers like us will regrettably be forced to end providing care for clients that are funded by these programs.

The request is that starting with this July of 2021 providers get an 9% increase in rates, then in the subsequent years get respective 9% increases to keep up with the ever-increasing minimum wage. Please note, that these increases will just allow us to break even so that we can continue to provide services to clients on these waiver programs.

I respectfully appreciate your attention to this imminent request to keep our valued seniors at home where they are happiest, as long as possible.

Thank you for your time. Please do not hesitate to reach out to me directly with any questions or commentary at 203-634-8668 or mario@assistedlivingct.com