



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

Human Services Committee

March 25, 2021

Home Care Association of America Connecticut advocates for employer-based home care agencies that employ, train, monitor and supervise caregivers; create a plan of care for the client; and work toward a safe and secure environment for the person at home. HCAOA Connecticut members are mostly small businesses that employ several thousand caregivers providing quality, affordable home care to thousands of elderly consumers, persons who are disabled and veterans across the state. Many members provide home care to elderly persons and others participating in Department of Social Services Medicaid programs, such as the Connecticut Medical Assistance Program and the Connecticut Home Care Program for Elders.

HCAOA Connecticut **supports** **House Bill 6636** and respectfully requests that the committee **approve** the bill. The bill would expand access to care under the Medicaid program by using enhanced federal matching funds provided to states during the COVID-19 pandemic to increase Medicaid provider rates.

HCAOA Connecticut seeks a nine percent increase in Medicaid reimbursement to help agencies maintain current services and keep pace with ever-increasing costs. Sufficient funding is necessary to help offset recent cost increases for agencies, including minimum wage, extraordinary expenses occasioned by the COVID-19 pandemic, transportation and inflation.

HCAOA Connecticut, as part of a coalition of home care organizations, requested a nine percent increase in Medicaid reimbursement for home care services in the third quarter of 2020. However, the home care industry wants to work cooperatively with the committee and the administration to ensure reimbursement rates help protect the state's most vulnerable citizens while adequately and fairly reimbursing providers for their services.

Recent rate increases, including the 2.3% provided by DSS last fall, only partly offset increasing costs to deliver home care. The funding was neither proportionate to the mandated wage increase nor adequate to support ongoing services. Given the economic challenges created by the pandemic and increases in minimum wage, many providers have been forced to close their agencies, jeopardizing clients and increasing costs for the state.

Several factors support an increase in Medicaid reimbursement, including:

- Recent increases in minimum wage from \$10.10 to \$12 per hour.
- Corresponding reimbursement increases of only about 3.3 percent over the past two years.
- A minimum wage increase to \$13 per hour scheduled for August 1, then to \$15 by 2023, putting further pressure on home care providers.
- Wage increases, combined with increases in payroll, unemployment and workers' compensation insurance rates, transportation, implementation of Electronic Visit Verification and other costs, will make participation in the Medicaid programs fiscally unsustainable for many home care providers.

Home care agencies help fulfill an important public policy goal: caregivers provide essential support that enables elderly and disabled persons to live in their own homes longer and keeps them from being readmitted to the hospital or long-term care facilities, saving the state significant resources. They also meet a compassionate need: home is where most people want to be. During the current public health emergency, supporting clients at home helps them avoid infection and allows facilities to safely discharge recovering patients.

Providing home and community-based support during a crisis comes with a cost, which includes purchase and sanitization of personal protective equipment, unanticipated transportation to additional clients, and the need to recruit and hire caregivers to replace those exposed to the virus or on leave to care for family members. Those costs, necessary to caring for our vulnerable Medicaid clients, are a further strain on agencies already challenged by mandated wage increases.

DSS can also take advantage of a temporary, one-year FMAP increase of 10% for home- and community-based services in the American Rescue Plan of 2021 to help offset the budgetary impact.

By most objective measures, including cost and quality of life, aging at home is preferred to other living arrangements. For about half the per-client cost of institutional care, care in the home offers a cost-effective, high quality alternative to institutional care. DSS estimates that the transition to home care currently saves the state nearly \$142 million a year.

By providing a necessary increase to home care providers participating in Medicaid programs, Connecticut would recognize the value of their services while helping to meet their needs as they strive to assist seniors and individuals with disabilities during the COVID-19 pandemic.

Please contact Mark McGoldrick, Chairman, HCAOA Connecticut, (203) 924-4949, with any questions, or visit [www.hcaoa.org](http://www.hcaoa.org) for additional information about Home Care Association of America.