

## TESTIMONY

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

March 3, 2021

Regarding the Governor's Budget for Human Services

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.*

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 DSS data, the Connecticut Home Care Program saved \$398-Million in 2018 alone by keeping Medicaid clients in their homes and out of more costly institutional settings. This continues a 13-year State Budget savings trend totaling \$2.1 Billion (2006 to 2018).

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 costs such as increased payroll taxes, workman's compensation insurance, and general liability insurance.

Over the next 5 years direct wage costs are going to be increased over 48% for all home care providers since 2019 as we head to the target minimum wage increase of \$15/hr in 2023. This will make providing QUALITY services to clients on the Connecticut Home Care Program and other Medicaid waiver programs IMPOSSIBLE without significant rate increases to providers.

Just to be clear we are proponents of higher wages for our much-needed caregivers and frontline workers as they are performing tasks that are invaluable to our elderly population. Ultimately, we are asking for rate increases that will cover all of our payroll costs to at least minimize these extraordinary expenses on providing services to clients on the Connecticut Home Care Program and other Medicaid waiver programs. Without these necessary rate increases providers like us will eventually be forced to end providing care for clients that are funded by these programs.

**The request is that starting with this August of 2021 providers get a 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 rate increases will help us offset cost increases so that we can continue to provide quality 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](mailto:mario@assistedlivingct.com)