



TESTIMONY

Submitted by Coco Sellman, Founder & CEO
Allumé Home Care

Appropriation Committee - Human Services Budget
Public Hearing

March 3, 2021

Regarding the Governor's Budget for Human Services

Senator Osten, Representative Walker, Senator Kushner, Representative Abercrombie and distinguished members of the Appropriations Human Services SubCommittee. My name is Coco Sellman, I am the Founder & CEO of Allumé Home Care, a CT home health provider.

Coco Sellman, Founder and CEO of Allumé Home Care.

Allumé Home Care is a CT-licensed and Medicare-accredited home health provider serving 70+ towns with in-home nursing, physical therapy, occupational therapy, speech therapy, social work, and home health aide services. We specialize in **in-home complex nursing care of technology-dependent, medically fragile** children and adults with tracheostomies, ventilators, g- and j-feeding tubes, and other intensive at-home medical interventions.

As a provider, we are struggling to survive and without immediate increase in Medicaid extended care rates for LPN and RN extended care services, we will be forced to shut down.

Allumé currently serves **50 complex care patients** and **100 traditional home health** intermittent visit patients. We receive **85%+ patient funding through Medicaid**. Of the ~85 home health providers, only three providers still provide complex care services because the rates are simply dismal.

Unless rates increase, my company will not survive and many of these patients will be forced to return to an institutional setting, where **the cost is 8-9x the cost** of care at home.



Our #1 challenge: hiring nurses.

At any given time, there are 30+ complex care patients who are ready and waiting to come home from the hospital (Yale, Hospital for Special Care, Connecticut Children's Hospital, Blythedale, Boston Children's, etc.), but home health agencies like ours cannot bring them home because we don't have enough LPNs and RNs to staff each case.

- Each complex care patient requires a team of 2-5 nurses (LPNs and RNs) providing 8-23 hours/day of nursing care in 8-hour shifts.
- The care is overseen by an RN Clinical Care Manager (required by regulations but not reimbursed by Medicaid).
- To bring home a patient from the hospital, we need to hire 2-5 nurses
- Recruiting funnel has dried up because **we cannot pay nurses competitive rates compared to other care settings**

As an example, our current LPN Extended Care Medicaid rate is \$38.01/hr.

- With costs of regulatory compliance and supervision of an LPN in the field, we can only offer LPNs **\$25-26/hr.**
- Pre-COVID, an LPN could go to other settings and make **\$30-35/hr.** We were already at a disadvantage competing for nurses, but we could still hire some.
- Now with COVID relief funding being directed into other care settings, LPNs are being offered **\$55-60/hr** - more than double what we can offer them and \$20+/hr more than the Medicaid reimbursement rate itself.

We simply cannot compete. Nurses are getting woo-ed away and we can't hire new nurses. My business is shrinking and with the added costs of COVID we are losing \$10,000 every week. This loss is coming out of my personal savings account. This cannot continue.

By increasing our Medicaid extended care rates to **\$44/hr for an LPN and **\$52 for an RN** we could make ourselves competitive in a post-COVID environment.**

While COVID funding continues to fuel other care settings, we need added support in the short-term to help us pay competitive wages. Increased unemployment benefits also disincentivize unemployed nurses to get back work. We need help encouraging them to get back into the field where they belong.



Increasing Extended Care Rates Will Save Money & Increase Access

I founded Allumé because our daughter, Amelia, is a complex nursing care patient. Amelia is 19-years-old and has cerebral palsy and chronic lung disease. She is non-ambulatory, non-verbal, needs oxygen with BiPAP; and receives respiratory, suctioning, and nebulizer treatments every two hours.

Before receiving nursing at home, she was a frequent flyer to the hospital spending weeks at a time in the hospital. Once she started receiving in-home nursing care with the increased medical interventions, her visits to the hospital have diminished and her overall health and well being has dramatically improved.

Amelia is a bright, beautiful, and engaged young woman who loves going to school, visiting White Memorial, listening to Justin Bieber, and baking cakes with her younger sister. She communicates with an iPad. Thanks to nursing at home, she is thriving, and we are grateful and blessed for every day we have with her.

I founded Allumé with the hopes of bringing at-home complex care nursing to more patients and families. Since then we've grown access to 50 more complex care patients and taken on several other Medicaid patients that other agencies would not take. Then, the pandemic hit, and our ability to continue to grow, cover the costs of regulatory compliance, and recruit nurses has been amputated.

Increasing extended care Medicaid rates will make it possible for companies like mine to stay afloat. Complex care patients are served better and with much lower cost than institutional settings.

Costs of one complex care patient:

- In a hospital, one complex care patient costs \$9K per day. The same patient's care costs \$1K per day in home care. The **savings per day is \$8K.**
- The is a **savings per month is \$273K.**
- The **savings per year is \$3M.**

See the attachment for more details.

At any time, there are 30+ patients in a hospital setting who could come home if a home health agency could recruit nursing staff with competitive compensation. The cost savings of bringing those 30 patients home is **\$99M per year.** Within these savings, there is more than enough room to increase our Medicaid rates to keep providers afloat and access to patients available.



I plea to you to move swiftly on behalf of complex care patients, families, and providers. We cannot do this alone. We need your support to fund these very vulnerable patients whose cost of care will only increase.

Please increase in home health Medicaid extended care rates for LPNs to at least \$44/hr and RNs to at least \$52/hr.

I have also submitted two slides along with my testimony to support the current need for rates to be addressed.

Thank you for the opportunity to provide testimony. Feel free to contact me with any questions.

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WHY IS THERE A WAITING LIST?

At any given time, 30+ patients await discharge from a hospital or long-term care facility to a home health provider

- Inadequate number of properly trained nurses living in CT
- Costs of training nurses these skills is significant and challenging (on-the-job training is not a feasible long-term option)
- Nurses are paid more in other settings (hospitals and SNFs)
- Costs of care exceed reimbursable Medicaid rate
- Supervision costs are not reimbursable
- COVID costs i.e additional costs of PPE are not reimbursable
- Continuous Skilled Nursing requires added supervision, administration, QA
- Scheduling and operations are more complex and require additional technology and staff
- Because 74% funded by Medicaid (lowest payer), costs cannot be offset by other payers
- Only 3 of ~180 CT-licensed home health agencies specialize in Continuous Skilled Nursing
- Due to non-reimbursable costs and operational complexity, very few home health agencies provide Continuous Skilled Nursing

CURRENT SITUATION

Continuous Skilled Nursing Medicaid Rates In Similar States

CT Medicaid LPN Rate	\$38.01
CT Medicare RN Rate	\$44.93
<i>NJ Medicaid rates recently increased in 2020 by \$10.00</i>	
NJ Medicaid LPN Rate	\$48.00
NJ Medicaid RN Rate	\$60.00
<i>MA increased rates in 2018 by 17%</i>	
MA average rate LPN	\$44.56 - \$88.20
MA average rate RN	\$54.04 - \$105.72
DE Medicaid rates - LPN	\$46.14
DE Medicaid rates - RN	\$51.50
RI Medicaid rates - LPN	\$43.88 - \$54.20
RI Medicaid rates - RN	\$54.20
NH Medicaid rates – LPN	\$49.49
NH Medicaid rates – RN	\$53.61

CT HISTORY

- In at least 20 years, there were no increases in Medicaid rates
- 2006 Add-on's were included increasing reimbursement rates by 9%
- 2017 - Add-on's taken away
- In 2018 were given 1% increase to compensate for add-ons being removed

Desired Extended Care Medicaid Rates:

- **LPN - \$44.00**
- **RN - \$52.00**

Value-based metrics:

- Less days in hospital after ready for D/C
- Fewer re-admissions related to inadequate staff

CURRENT SITUATION

Intensive Care Unit in CT:		
Cost Per Day	\$	9,100*
Cost Per Month	\$	273,000
Cost Per Year	\$	3,321,500
Home Health Continuous Skilled Nursing @ Home Option:		
Average Nursing Hours/Day:		15
LPN Extended Care Medicaid Rate:	\$	38.01
Cost Per Day:	\$	874
Cost Per Month:	\$	26,227
Cost Per Year:	\$	319,094
Cost Savings Per Patient From Home Health Option:		
Savings Per Day:	\$	8,226
Savings Per Month:	\$	246,773
Savings Per Year:	\$	3,002,4006

Costs of Caring for A Single Medically Complex Patient Across Settings

CURRENT SITUATION

At any given time there are ~30 patients* at a hospital or long-term care facility awaiting discharge into the community.

Cost Per Day Per Patient Spent In Higher Cost Facility:	\$ 9,100**
Cost Per Day Spent on 30 Waitlisted Patients:	\$ 273,000
Cost Per Month Spent on 30 Waitlisted Patients:	\$ 8,190,000
Cost Per Year On 30 Waitlisted Patients:	\$ 99,645,000

With support, we can be part of the solution



* Based on known patient referrals by our three agencies coming out of CT hospitals.

**According to Nationwide Children's daily cost of ICU

<https://www.nationwidechildrens.org/your-visit/billing-and-insurance/pay-my-bill/price-information-list>