



Companions & Homemakers®

TESTIMONY

Submitted by Ann Wilson, Client Services Manager
Companions & Homemakers

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 Ann Wilson, Client Services Manager for Companions & Homemakers.

We all know that people overwhelmingly prefer to stay at home when it's possible for them to avoid institutionalization. Decades of results also demonstrate the dramatic savings achieved by both families and taxpayers through the shift from nursing facilities to community-based services.

The pandemic made clear the advantages of having an at-risk population dispersed in individual residences, not gathered in facilities which—despite their best efforts—proved vulnerable to mass infection. Without question, the long-term transition to home care will be hastened by the experience of the past year.

Yet we won't have the home care services we need unless we're willing to fund them. Medicaid reimbursement for home care is controlled by the state; over the years, increases in that rate have lagged far behind the cost of the service.

Minimum wage hikes have exacerbated the problem. In 2019, the minimum wage went up 8.9%, while the Medicaid reimbursement rate increased by only 1%. Last year, another 9% hike in the minimum wage took effect; while the 2.3% increase implemented in September was welcome, we continued to lose ground relative to costs. An 8.3% increase in the minimum wage will take place on August 1st of this year, but no boost in the Medicaid reimbursement rate was included in the Governor's budget.

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It's not a sustainable situation. Beyond the simple increase in wages, the cost of keeping workers in the field is rising. More clients are sent home earlier from hospitals and nursing facilities, requiring more training and supervision for caregivers. The COVID emergency has created new expenses for protective equipment, and it has required agencies to pay higher wages to make sure at-risk clients are cared for.

Without a meaningful increase in the reimbursement rate for home care, some agencies will close and others will stop taking Medicaid clients. As home care providers leave the market, the state will quickly find itself paying much more, and for the wrong service: Medicaid will be forced to fund unnecessary and expensive institutional care, instead of appropriate, desirable, and low-cost home care.

A survey of in-state home health and home care providers undertaken last fall by the Connecticut Association for Health Care at Home demonstrated the impact of low reimbursement rates on Medicaid service. Nearly 10% of agencies responding have either ceased serving Medicaid clients altogether or decided to accept no more; another 63% are moving in that direction.

Preventing unnecessary institutionalized through home care is estimated to save taxpayers over \$450 million dollars a year. Rather than lose that savings--and the quality-of-life improvement they represent for our state's seniors--we need to invest just a fraction of what we save in a meaningful increase in Medicaid reimbursement for both medical and non-medical home care.

In this case, properly serving people in need also lightens the burden on taxpayers. I urge legislators to preserve the service system that has benefitted so many by increasing the Medicaid reimbursement rate for home care in this year's budget.