



TESTIMONY BEFORE THE
COMMISSION ON ENHANCING AGENCY OUTCOMES
PUBLIC PROPOSAL HEARING
December 14, 2009

Senator Slossberg, Representative Spallone, and members of the Commission on Enhancing Agency Outcomes, my name is Brian Ellsworth and I am President & CEO of the Connecticut Association for Home Care & Hospice (CAHCH), whose members serve over 100,000 elderly, disabled, and terminally ill Connecticut citizens.

The Association is pleased to provide feedback on the proposed areas of focus as discussed on November 30, 2009. Specifically, the attached power point presentation addresses three areas: #1 Review delivery of human services, #25 Pursuing a section 1115 waiver and #35 Controlling long term health care costs.

The Association strongly believes that investing in home care should be one of the solutions to the State's current fiscal challenges. For too many years, we have been over-reliant on institutional care -- *CT ranks third in the country in nursing home use per capita elderly*. CT has also been underfunding home and community based care -- *Medicaid pays the typical home health agency about 70% of the actual cost of care*.

In the process, the State has been shortchanging CT taxpayers by leaving federal money on the table and serving persons with long term care needs at a much higher cost than necessary. More importantly, in many cases, the elderly and disabled have been left without real choice about where they receive their care, violating the spirit, if not the letter of the *Olmstead* Supreme Court decision.

Leaving the State's fiscal challenges aside for a moment, it is important to note the demographics of the aging of the baby boom and the impending Medicare cuts to home health care in the federal Health Reform bill are going to leave us with no choice but to invest in home care. Better that we do it now and with a solid plan.

The Associations recommendations, contained in the attached power point, include:

1. Invest in Home Care by Enacting Medicaid Rate Increases as Called for in S.B. 1122
 - Equalize Medicaid home health rates to Medicare per visit rates over two years
 - Provide funds for distressed agencies
 - Costs would be more than offset by a decrease of 1,000 Medicaid patients in nursing homes
 - Makes fiscal sense to do this adjustment during period of enhanced federal match under stimulus bill

2. Engage in Proactive Long Term Care Reform
 - Submit an 1115 Medicaid waiver (and/or State Plan Amendment) to federal government designed to convert some or all of State-funded portion of CT Home Care Program to Medicaid (between \$15 to \$30 million state savings annually)
 - Conceptually similar to SAGA waiver
 - Deposit federal funds obtained from this process in Long Term Care Reinvestment Account and use for future rate increases

3. Establish Comprehensive Nursing Home Rightsizing Program
 - Create voluntary buy out program for operators of older facilities with declining occupancy
 - Offer financial incentives for operators to downsize and upgrade remaining facilities
 - Establish case mix (acuity) based Medicaid payment system as many other states have done to ensure that facilities are used by those most in need

Thank you for consideration of these recommendations. We look forward to working with the Commission to help make them a reality.

Home Care In Connecticut: Part of the Solution

Presented to the Commission on
Enhancing Agency Outcomes
December 14, 2009

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Demand for Care in CT is Going to Grow by 28% between 2006 and 2030

Growth in Total Demand For Long Term Care Services Age 40+

Age	2006 Current LTC Demand	2006 CT Population	2006 Current LTC Demand	2030 CT Population	2030 Projected LTC Demand	Percent Increase 2006-2030
40-59	7%	1,052,235	73,656	901,639	63,115	(14)
60-74	10%	392,560	39,356	602,154	60,215	53
75-84	22%	176,194	38,763	266,521	58,635	51
85+	44%	82,399	36,256	132,440	58,274	61
		1,704,388	188,031	1,902,754	240,238	28

* University of Connecticut Health Center, Connecticut Long Term Care Needs Assessment Executive Summary, June 2007.

Even After Downsizing, CT is Still Ranked Third in the Country in Nursing Home Use

Nursing Facility Utilization	State	Rank	U.S.
Total nursing facility residents, 2007	27,257	19	1,410,358
Nursing facility residents per 100 age 65+, 2007	5%	3	3.8
Nursing facility residents per 100 age 75+, 2007	11.2	3	7.8
Total nursing facility stays, 2006	81,483	20	3,176,119
Residents with Medicaid as primary payer, 2007	66%	14	64%
Residents with Medicare as primary payer, 2007	16%	7	14%
Residents with "other" as primary payer, 2007	18%	39	22%
Residents with dementia, 2007	47%	20	46%

AARP
ACROSS THE STATES
PEOPLES OF LONG-TERM CARE
AND INDEPENDENT LIVING
CONNECTICUT

UCONN Long Term Care Study: CT is Behind the Curve on Rebalancing

VII. What is Connecticut Doing to Rebalance?

In Connecticut, efforts to rebalance the system are progressing, though more slowly than in some of the leading states.

Figure 3. Percent Increase in Medicaid Spending for Home and Community-Based Services

State	1999 (%)	2005 (%)
Florida	~55	~15
Oregon	~15	~55
Massachusetts	~15	~25
Vermont	~15	~25
U.S. Average	~15	~25

* University of Connecticut Health Center, Connecticut Long Term Care Needs Assessment Executive Summary, June 2007.

Home Care Is Cost Effective and Consumer Preferred

- **Connecticut Cost Per Day Comparison**

- Home care: \$57
- Nursing facility: \$193
- Inpatient hospital: \$2,000

(Sources: DSS and Kaiser State Health Facts)

- **81% of CT residents needing long term care would prefer to receive it at home**

University of Connecticut Health Care - Connecticut Long-Term Care Needs Assessment Executive Summary, June 2007

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES

Home Care Should be Part of the Solution to Our Fiscal Challenges...

- **CT Home Care Program for Elders saves significant money, but could do more...**

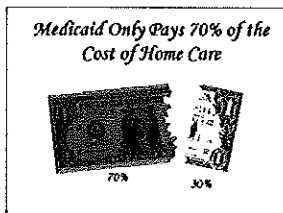
- SFY 2006 - Taxpayers saved \$115 million
- SFY 2007 - Taxpayers saved \$ 91 million

Source: DSS Annual Reports to the Legislature for SFY 2006 & 2007

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES

But there is a problem...

Medicaid Only Pays 70% of the Cost of Home Care



CONNECTICUT DEPARTMENT OF SOCIAL SERVICES

In CT, Medicare Subsidizes Medicaid Losses, But Not for Long

- The total amount of the subsidy by Medicare of Medicaid & commercial insurance losses is **\$30 - 40 million** annually
- Unfortunately, the *best case* scenario in Health Reform will cut Medicare revenues to CT agencies by **\$50 million** a year for the next 10 years

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Rebalancing Ideas from Other States

- **Vermont Choices for Care Program**
 - Since 2005, has operated under a waiver from federal government that provides flexibility in return for cap on federal share
 - Has lead to substantial rebalancing of long term care under Medicaid
 - State required to reinvest savings in home and community based care
- **Massachusetts 1115 waiver request to HHS**
 - Intended to unify and rationalize eligibility for various aged & disabled programs
 - Dramatic cost savings proposed
 - Awaiting approval from federal government pending clarification of state fiscal issues



Recommendations

1. **Prime the Pump: Invest in Home Care by Enacting Medicaid Rate Increases as Called for in S.B. 1122**
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Long Run Outcomes

- Maximize federal funding to assist in economic recovery
- Transition at least 1,000 patients from institutions to home by end of biennium
- Divert an additional 3,000 persons from nursing homes
- Stabilize finances of home care & nursing home providers

STATE OF MISSISSIPPI
DEPARTMENT OF HEALTH
2010-2012