



***Testimony of Large Downstate Licensed Home Care Service Agencies
Before the Joint Legislative Public Hearing on the 2021 Executive Budget Proposal: Topic Health
Addressing Medicaid State Funding for Licensed Home Care Services***

February 25, 2021

The undersigned represent six of the State's largest downstate licensed home care services agencies. Together, we care for tens of thousands of frail and medically compromised Medicaid beneficiaries in the five boroughs, and we employ tens of thousands of home health aides who are members of 1199SEIU. We offer our testimony today to provide perspective on the challenges faced by LCHSAs – challenges which have been laid bare by the pandemic -- and out of concern for the future of the State's home health care services and the population they serve.

As some of the most nimble and innovative Licensed Home Care Service Agencies (LHCSAs) in the State, we have prioritized investments in workforce, engaged in quality improvement initiatives, and otherwise supported State policy efforts to make systemic change to promote patient-centeredness and systemic sustainability. Even before the pandemic, our ability to engage in these efforts was challenged by well-intentioned but unfunded mandates and chronic rate reductions from our managed care partners.

The ongoing pandemic has further exacerbated these challenges. Home care providers have been hit particularly hard by the pandemic. Without the scale or early access (and sometimes no access) to federal emergency funds, the licensed home care services providers have had to deal with dramatic unbudgeted and unreimbursed costs for PPE, COVID sick pay and overtime. And many of these costs (PPE, etc.) will continue on as a "new normal".

There has been no relief through the State. Indeed, the State has cut MLTCP/MCO rates during the pandemic, and we expect these reductions to be passed on to providers – indeed we are already seeing that.

Many home care providers invested considerable resources to participate in value-based arrangements to drive quality and allow for alternative payment methodologies. However, last year's budget temporarily put-on hold quality incentive programs and value based payment arrangements to increase positive outcomes in the home care/long term care sector. This year's Executive budget proposal would eliminate such funding.

The crisis in the home care workforce is well known. But Healthcare Workforce Retraining Initiative (HWRI), Workforce Investment Organization (WIO), and other funding streams to support enhanced training have been eliminated or are winding down, and this year's Executive budget continues the elimination of such funding.

Even reliable funding streams have been delayed. The Quality Incentive Vital Assistance Provider Program (QIVAPP) is an example of vital quality incentive funding to support home care providers that invest in their workforce has been delayed from FY 19-20. Given the increased costs related to the pandemic, it is critical that

this funding be released but QIVAPP funding has been considerably delayed. This is a lifeline to home care providers. Typically, at this point in the calendar year, providers would have at least received notice of QIVAPP awards if not have received the awards themselves, but no information (and no money) has been released to date.

There has been considerable discussion about the quality of care for our frail elderly in congregate settings. Lawmakers should not overlook that the foundation of the State's home care infrastructure – a system designed to keep individuals out of congregate settings – has been neglected and is fraying as a result. We need your help.

In order to ensure that health care services and delivery settings remain an alternative to congregate care and more costly services, investments must be made:

- Expenses related to the pandemic must be supported through increased reimbursement, directed payments, and adjustments to base reimbursement rates going forward post-pandemic to reflect the new reality of best practice costs related to PPE and other changes.
- Base rates to ensure that MW, WWP, and other labor mandates should be established and enforced to ensure that Medicaid funding is reaching the employers that are complying with wage and hour requirements and delivering care
- Quality Incentive Funding pools must be re-instated and structured to ensure providers receive financial recognition for the investments made and contributions to overall improvement in quality and cost savings.
- Similarly, VBP arrangements should be supported with more predictable and timely payment on shared savings without the risk of financial pay-outs after the investments have been made.
- QIVAPP funding from prior years must be released in a timely and predictable manner and continue at higher levels.

We thank you for your time and consideration.

Adria Powell, *President/CEO*, **Cooperative Home Care Associates**

Jim Rolla, *Senior Vice President*, **Partners in Care**

Susan Brett, *Chief Operating Officer/SVP*, **People Care**

Joanna Ciampaglione, *Senior Vice President*, **AccentCare of New York/Alliance for Health**

Bernie Schiel, *Chief Executive Officer*, **Bestcare, Inc**

Christy Johnston, *VP Governmental & Managed Care Services*, **Premier Home Health Care Services**