

Connecticut Medicaid Personal Care Services:



Critical Funding Request

Funding Request

- 13% immediate Medicaid rate increase for personal care services (CY 2025-2026)
- 10% annual increase for the following three years
- Current rate: \$24.32/hour (unchanged since 2014)

Cost-Benefit Analysis ¹

- Home Health Aide Care: \$5,911/month
- Nursing Facility Care: \$15,056/month
- Savings to State: \$9,145/month per person (\$109,740 annually)

Critical Issues

Unsustainable Cost Pressures

- **33%** inflation increase since last rate adjustment (2014)
- Minimum wage rising to **\$16.35/hour** in 2025
- Only **\$7.97/hour** remaining after caregiver wages to cover all operational costs
- Neighboring states offer significantly higher rates: Rhode Island: **\$40.28/hour** - Massachusetts: **\$37.08/hour** - New York: **\$36.31/hour**

Declining Capacity

- 5% decrease in caregiver workforce (2023)
- Connecticut is the 7th oldest state, facing increasing demand
- Current census: ~700 patients
- Services: ~1 million hours annually

Strategic Impact

1. Fiscal Responsibility: Home-based care delivers significant savings versus institutional care
2. Healthcare System Efficiency: Reduces hospital discharge delays and facility overcrowding
3. Quality of Life: Enables seniors and disabled individuals to maintain independence
4. Economic Stability: Ensures sustainable employment for the caregiving workforce

Urgency - Without immediate rate adjustment, Connecticut risks:

- Further workforce attrition to higher-paying neighboring states and private industry
- Reduced access to cost-effective home care services
- Increased institutionalization costs
- Compromised quality of life for HUSKY Health members

Supporting in-home care through appropriate reimbursement rates benefits Medicaid participants, their families, and Connecticut taxpayers while maintaining a vital healthcare workforce.

¹Genworth | CareScout Cost of Care Study. Connecticut 2023. <https://www.carescout.com/cost-of-care>