**Introduction**

The Home Care Alliance of Massachusetts, on behalf of its 160 member agencies, appreciates the opportunity to provide comment on the proposed rate regulation for 101 CMR 417, Rates for Certain Elder Care Services.

We testify today when nearly tens of thousands of direct care home care workers are providing essential services to over 60,000 older adults enrolled in the Commonwealth’s Home Care Program. And it is important to recognize that these workers have continued to deliver care without hesitation throughout the duration of the Coronavirus pandemic.

For years, The Home Care Program has allowed older adults to stay safely at home, with the supports they need and deserve. However, because of inadequate rate adjustments in recent years, the provider network that delivers these services has endured unsustainable economic, and market pressures that are rapidly hampering access to care for this vulnerable population. In fact, only 40 Home Care Alliance Members currently provide services in the Home Care Program, which is down significantly over recent years. In just the last year, 4 prominent certified home health agencies providing a significant amount of home care services in their communities have terminated their Aging Service Access Point (ASAP) contracts. All these terminations can be attributed to insufficient rates. And, according to an August 2020 Impact on Workforce issues on ASAP Consumer Access survey conducted by Mass Home Care, between FY19 and FY20, the pending referral lists across all ASAPs increased by 40%. Of the consumers awaiting services, 78% are waiting for all hours of homemaker/PCHM services to be filled.

It is for these reasons, that the Home Care Alliance is disappointed in the Executive Office of Health and Human Services’ (EOHHS) proposed 2.4% increase to the Enhanced Community Options Program (ECOP) rate and the Home Care Program Services Direct Services rate. We strongly and respectfully request a reconsideration of this proposal. In support of our coalition partners at Mass Home Care and Home Care Aide Council, we support consideration of an 8.9% increase to the Basic Services rate and 8.48% increase to the ECOP rate is necessary to make progress toward maintaining access to services and building on our high-quality direct care workforce by ensuring an impactful hourly wage increase. *Note: This request is slightly modified from the HCA verbal testimony offered on 9/11/20 as a result of modifications to modeling by Mass Home Care.*
Comments on the Proposed 2.4% Increase and Rate Setting Process

The Home Care Alliance appreciates the 2.4% cost adjustment factor increases within this proposal but is disappointed that a thorough cost analysis was not conducted to establish these rates. Until the Commonwealth establishes a rate structure that considers the cost of providing these services, as defined by Massachusetts General Law, contracting providers will continue to struggle retaining and recruiting an adequate workforce necessary to fully serve all members in the Home Care Program.

Impacts of changes to the State minimum wage:

Perhaps the most disappointing revelation in the proposed regulation is the Commonwealth’s reluctance to make adequate adjustments in response to changes in the minimum wage. The August 2020 Mass Home Care survey revealed that the number one reason service hours cannot be filled (48%), is ‘due to a lack of workers at home care agencies’.

Since 2018 the Massachusetts minimum wage has increased 15.9% from $11/hr to $12.75/hr in January 2020. The most significant challenge for provider agencies delivering these services, is competing for workers at a time when the minimum wage is on an incremental path to $15 per hour and the state was experiencing near-full employment (pre-pandemic). This is compounded by state investments in similar provider-type reimbursement rates, such as the newly implemented collective bargaining agreement for Personal Care Attendants which increases their pay rate to $15.75 per hour. As the state invests in one provider-type, but not another, severe workforce migration occurs as workers seek higher wages. And as the provider network is bound to the rates set by EOHHS (and negotiated by ASAPs), it simply cannot compete with big-box retail stores and restaurants that are, in many cases, already paying $15 per hour.

For historical context, the Minimum Wage Mandate within ASAP NOI contracts in FY’06 was set 60% higher than the Commonwealth’s minimum wage at that time. This illustrates that previous administrations acknowledged that this workforce deserved to be paid more than minimum wage and the rate structure reflected such. And as testimony by Mass Home Care notes, since 2014, the Commonwealth has only applied 5.84% in cost adjustment factors to these rates, when in reality, after accounting for increases to the minimum wage, the rates should have been adjusted by 37.2%.

These problems will only compound as two additional increases to the minimum wage will occur before the next reconsideration of this regulation.

Conclusion:

The Home Care Alliance of Massachusetts recognizes that the increase we are proposing has budget implications in a very difficult budget year. However, the facts remain that the state cannot continue to expect to serve the same number frail elders each year by offering insufficient rates.
If funding cannot be adjusted to support the increases we suggest, the Commonwealth must seriously consider funding the necessary increases by reducing the number of clients served in order to *fully* meet the needs of fewer clients instead of *partially* meeting the needs of many. This would be the least preferred scenario, but the current situation is *already* reducing access in an unsustainable manner leading to a network that is stretched thin and putting consumers at risk.

Again, we appreciate the opportunity to provide comment, and look forward to working with EOHHS, EOE, and the Legislature on these proposals.

Sincerely,

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