

Council of the District of Columbia Budget Hearing

Department of Health Care Finance Committee on Health and Human Services

April 17, 2015

Testimony Christy W. Kramer, Director LeadingAge DC

LeadingAge DC is an organization of not-for-profit, mission-driven senior service providers throughout the District committed to expanding the world of possibilities for aging in the nation's capital. Our members serve thousands of the District's seniors in affordable housing, assisted living, skilled nursing, adult day, and home and community based services. LeadingAge DC respectfully submits testimony in support of the FY2017 budget.

The Department of Health Care Finance FY17 Budget invests resources into health of the residents of the District of Columbia. We applaud Mr. Turnage and his team for their work in creating this budget and for their work with the provider community.

While we support Mr. Turnage and the budget, LeadingAge DC asks that the Committee on Health and Human Services and the Department of Health Care Finance:

1. Re-evaluate the elimination of the Inflation Rate factor that is in place for the Skilled Nursing Facilities in the District of Columbia.
2. Increase the reimbursement under EPD waiver for Assisted Living providers.

There are currently 19 nursing homes within the District of Columbia which will decrease to 18 by the end of 2016. Of these 18 nursing homes, 9 are not-for-profit organizations that have a mission to provide high quality services to seniors in the District of Columbia. All provide services that are covered under the Medicaid program. In addition, there are three assisted livings in the District of Columbia that accept the EPD waiver.

These not-for-profit organizations not only serve the seniors of the District of Columbia but also employ thousands of workers. In addition, they provide services to the community as part of their not-for-profit commitment.

These nursing homes are currently operating under a reimbursement methodology that requires audits and rebasing to occur every 3 years. DHCF is completing the 2010 audits, which will result in the 2016 rates being based on costs that are six years old. Meanwhile nursing homes are faced with the reality of the rising costs of operations. This includes the increasing minimum wage rates as well as the prospect of the paid family leave expense that is before the DC Council. While we support increasing the minimum wage and improving family leave programs we ask that you support the ability of the not-for-profit nursing homes to fulfill their mission by providing adequate reimbursement through methods like the inflation factor. The inflation factor provides

relief to nursing homes until the next rebasing occurs.

Second, LeadingAge DC supports the request to increase reimbursement for the Assisted Living EPD Waiver program. Currently, there are only three assisted living organizations in the District of Columbia that accept the EPD waiver. The supply of affordable assisted living beds is inadequate and that is partially due to the inability of an organization to operate a quality Assisted Living on a reimbursement of \$60 per day when the daily expense can exceed over \$200 a day. While it is the mission of many organizations to provide care to low and moderate-income seniors of the District, they cannot possibly sustain providing this care under the current reimbursement model. If these organizations fail, seniors will be forced to seek care within a nursing home environment that will lead to an increase drain on the resources of the DC Medicaid program.

The Mayor's FY2017 budget has many strengths as well as opportunities. We ask that the Committee on Health and Human Services and the entire City Council support the District's seniors by ensuring that quality and appropriate care is available to them within the District of Columbia. Appropriate reimbursement ensures that this care will be available to them in the least restrictive and cost effective environment. Therefore we ask that you ensure the inflation rate of approximately \$1.4 million not be eliminated and that the Assisted Living EPD waiver reimbursement be increased to cover costs of care.

I am happy to assist with any questions that the committee may have as they work to craft the FY2017 budget.

Respectfully,

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