



Minnesota Home Care Association

June 23, 2023

Administrator Chiquita Brooks-LaSure
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244

Re: Agency/Docket Number CMS-2442-P

Dear Ms. Brooks-LaSure,

On behalf of The Minnesota Home Care Association (MHCA), we are writing to provide comments on CMS-2442-P, Ensuring Access to Medicaid Services. Our Association is a statewide association of Minnesota's home care provider organizations. Our members provide hands-on care to approximately 40,000 older Minnesotans and individuals with disabilities and complex health conditions in their homes.

MHCA appreciates the efforts to better our home and community-based service (HCBS) program. The direct care workforce is in a crisis that will require a wide range of policy and programmatic changes to address and mitigate. We believe that issues surrounding access to HCBS are one of the most pressing challenges to older adults and people with disabilities today and should be addressed in a holistic manner.

We support many positive steps this proposed rule addresses. Those measures include:

- Requiring a three criteria test for certain rate cuts/restructures
- Waiver waiting list reporting requirements.
- Reporting on delay and gaps in care
- Creation of a HCBS quality reporting system, grievance system, and incident management systems
- Making all payment rates easily accessible

However, MHCA does not support the payment adequacy provision of this proposal. We understand that CMS proposed this policy with the right intentions – to attempt to address the pervasive low pay for direct care workers. However, we want to stress that this provision is not only unworkable, but also likely to have the opposite impact intended. This provision will not lead to increased payments to workers, and it will likely force provider closures, ultimately reducing access to care.

This will occur because the greatest threat to accessing care for older adults and people with disabilities is the reimbursement rates, preventing providers from paying workers what they deserve to be paid. Last winter, our members reported turning down on average over 26% of their referrals due to staffing constraints. Hospital discharge planners are struggling to get patients out of their hospital and back into their homes, creating a system wide issue. Agencies in Minnesota often report to us that they will turn down a referral and then receive a call from the hospital discharge planner a few days later checking back to see if they now have adequate staffing to accept the patient.

This issue is even greater for services like PCA and Homemaking. We recently spoke with a social worker who assists clients in finding homecare services. She had been on the job for 6 months and had yet to successfully help a client find an agency that could take on a homemaker

Mission: MHCA serves home care providers with advocacy, education, resources, and collaborations.

Vision: MHCA will shape the home care landscape to improve and sustain quality care services.

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client. In addition to agencies closing due to reimbursement rates, many agencies have discontinued offering homemaker services. All the agencies reported this was because of the low reimbursement rates and not being able to pay direct care workers an adequate wage.

Throughout the past few years, the SEIU has succeeded in achieving higher wages for PCA workers in our State. While we fully support these wages, the reimbursement rates have not kept up with these increases. Since 2015, PCA wages under the union have increased by 86% while the reimbursement rate has only increased 41%. This has ultimately led to 46 PCA agencies closing in the last year alone. Next year, we will be seeing yet another increase to the minimum wages for PCA workers without the equivalent increase to the reimbursement rates. After surveying our members to assess the potential downfall this could create, over half reported they will close their doors. This will impact over 8,000 Minnesotans who desperately rely on this service.

Another issue with mandating that 80% of the already low rates go directly to wages, does not take into consideration other critical costs of operating a home care business. These include, but are not limited to:

- Mandated supervision and training.
- Travel expenses such as mileage. This expense is even greater in rural areas.
- New regulatory requirements such as Electronic Visit Verification (EVV).
- Administrative staff to cover billing, quality assurance, and clinical oversight.
- Mandated Background studies for all new employees
- Interpretation services for clients that do not speak English
- Insurance and Bonds (MN PCA agencies are required to hold a surety bond)
- Physical office location and equipment.

We urge CMS to remove the HCBS Payment Adequacy provision from the proposed rule and focus on making sure our reimbursement rates are adequate to cover all expenses while allowing agencies to pay their workers the wages they deserve. We believe it's critical that the state's reimbursement rates sufficiently cover the cost of delivering high quality care, including the operational costs mentioned above.

Moving forward with such a mandate may force providers to cut funding from areas such as training or supervision and reduce investments in programming including technology and regulatory compliance. In worst case scenarios, we anticipate an increase in smaller (who often serve a culturally diverse population) providers closing their doors—a result we have begun to see in Minnesota due to lower reimbursement rates. This will undermine the proposed rule's intent to ensure greater access to services.

We very much appreciate the opportunity to provide these comments. If you have any questions, please feel free to contact me at kmesserli@mnhomecare.org.

Sincerely,



Kathy Messerli
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MN Home Care Association
Arden Hills, Minnesota



Kristen Husen
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