November 5, 2020

Assistant Secretary Daniel Tsai
Executive Office of Health and Human Services
One Ashburton Place, 11th Floor
Boston, MA 02108

Submitted by email: ehs-regulations@state.ma.us

Re: Testimony Relative to 101 CMR 351.00: Adult Foster Care

Dear Assistant Secretary Tsai:

The undersigned represent organizations that advocate on behalf of MassHealth members and their caregivers who receive services through the Adult Foster Care (AFC) program as well as MassHealth-participating provider organizations that provide these services. We appreciate the opportunity to offer this testimony specific to MassHealth’s proposed Adult Foster Care rate regulation.

We are disappointed that the proposed regulation holds AFC rates “flat”, not just with the rates that are currently in effect, but with the rates that have been in effect for more than 10 years. The proposed rates are neither fair nor adequate to ensure the continued health and growth of this essential community service at exactly the point in time in which demand is increasing for quality care at home and for the formal and informal workforces that are critical to meeting that demand. The proposal does not reflect the value that the AFC program contributes to MassHealth’s LTSS delivery system, providing more than 12,200 MassHealth members and their live-in caregivers with culturally competent and comprehensive support, and Medicaid-funded payors with a cost-capped alternative to other models of care, including costly facility-based care.

The AFC community capacity that has developed in the Commonwealth over the past decade has contributed meaningfully to deterring and reducing nursing facility utilization, ensuring that the impact of COVID-19 on nursing facility populations was not even more devastating than we have experienced to date. During the pandemic, the AFC program has provided consistent and trusted care team support to AFC caregivers and the MassHealth members to whom they provide care. Unlike direct care workers in most Medicaid and State-funded LTSS programs, AFC caregivers have not received any relief from the State during this public health emergency; MassHealth and MassHealth MCOs have not extended “hazard pay”, interim increases in stipends, or other financial relief in recognition of the extraordinary efforts, burden and personal risks that AFC caregivers have endured during the crisis.

AFC is cost-effective for MassHealth because it takes advantage of existing housing stock – the private homes of individuals or their caregivers – and does not necessitate the construction of new homes or the rehabilitation of large buildings. Further, the per diem rates are fixed and do not fluctuate when members need additional hours of care or support. AFC provider workforce costs and caregiver stipends are the core cost components of the service.
For AFC to continue to successfully respond to the growing demand for community services, rates must be adequate to recruit and retain a qualified workforce, fund stipends sufficient to engage caregivers, and ensure providers are appropriately incentivized to deliver high quality and effective support. These factors must be considered in the rate-setting process for AFC as they are in other Medicaid-funded services.

**Qualified Workforce:** Maintaining rates at current levels will not allow AFC providers to compete for, hire and retain qualified staff. The proposal utilizes cost reports that do not reflect the true current costs of the staffing necessary to deliver the professional oversight required by the program. We recommend, in the alternative, the adoption of Chapter 257 methodology which establishes salaries using Massachusetts Bureau of Labor Statistics as a benchmark and, specifically, the 2018 / 2019 75th percentile for the applicable clinical positions to ensure AFC providers are able to recruit and retain the staff required by MassHealth regulations.

**Sufficient Caregiver Stipends:** Maintaining AFC rates at current levels will limit providers’ ability to increase caregiver stipends. Providers must be able to offer stipends that encourage family members and others to consider caregiving through AFC rather than other options available to them or paid employment outside of the home. If AFC organizations are unable to pay stipends that are sufficiently attractive to maintain and recruit new family members and others, the long-term viability of this model will be compromised as caregivers will be compelled to seek alternative services and forgo the support that is made available to caregivers by AFC provider organizations. COVID has raised awareness across the country of the value of caregiver contributions and of the consequences of caregiver stress and strain. Now is not the time for the Commonwealth to retreat from a modest investment that would help preserve support to lay caregivers; without their sacrifices and commitment, our direct care workforce challenges will become even more daunting.

**Move to Value-based Reimbursement:** As a result of MassHealth’s 2017 regulatory changes, AFC providers were required to secure accreditation as a condition of continued participation in the provider network. Securing and retaining accreditation comes with ongoing costs, an expense that AFC providers are incurring as part of their commitment to ensuring quality services to MassHealth members. Accreditation was an important and foundational step, and we urge MassHealth to implement quality measurement across the program such that outcomes, appropriately measured for the diverse populations served, become an element of the AFC pricing methodology moving forward.

Thank you for the opportunity to share this input on the proposed AFC rate regulation. We look forward to continued collaboration with MassHealth to ensure alignment regarding the policy objectives MassHealth intends to achieve through this rate proposal, and enable the continued health and growth of the AFC program so that it can continue to meet the needs of diverse populations of MassHealth members and their caregivers.

Sincerely yours,

Ellen Attaliades  
ADDP President / CEO

Leo V. Sarkissian  
The Arc of Massachusetts Executive Director

Lisa Gurgone  
MHC Executive Director

Linda Andrade  
MCAFC President

cc:  Marylou Sudders, Secretary  
Whitney Moyer, Chief, OLTSS