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 et. seq. (Adult Foster Care Services)

Dear Assistant Secretary Tsai:

On behalf of the Massachusetts Council for Adult Foster Care (“MCAFC”), which represents over 90 Adult Foster Care provider agencies, and the over 12,500 seniors and adults with disabilities that are served by AFC throughout the Commonwealth, I am writing to express our disappointment with the proposed regulations which hold AFC rates at current levels.

MCAFC, has signed on to testimony presented by the AFC Advisory Group and signed by many provider and association groups, to express our collective disappointment that the proposed regulation “level funds” AFC payment rates. By keeping rates flat, MassHealth is not recognizing the incredible value, health and safety and important Community-First services AFC provides to thousands of adults and individuals with disabilities.

In many ways, AFC has proven to be a highly effective and incredibly safe alternative to long-term care facilities. Infection rates for individuals receiving AFC services has stayed around 1.5% as compared to 42% for residents of long-term care facilities. Additionally, infection rates for caregivers has remained at 0.6% as compared to 16% for facility staff. While MCAFC provider agencies are incredibly proud of the health and safety successes in light of a global pandemic, the cost to agencies has been significant. Out of the 56 respondents, the following data is presented:

- 66% of respondents reported increased costs due to technology, ranging from $2,800 to $13,000 per agency
- 73% of respondents reported providing PPE to families and caregivers at a cost ranging from $1,600 to $11,000 per agency
- 18% of respondents reported increased costs due to staffing and caregiver requirements at a cost ranging from $900 to $9,600 per agency

Caregivers are increasingly feeling the effects of the ongoing public health crisis as Day Programs close; 24 hour at-home care extends beyond expectations and economic realities force families to make difficult decisions. For example, the closures of Day Programs across the Commonwealth have resulted in the permanent displacement of over 1,100 fee for service members. Caregivers are being placed at personal risk and the economic cost to a caregiver has far exceeded daily stipends. Disappointingly, AFC caregivers have not received any relief during the emergency; State payors did not extend “hazard pay”, interim increases in stipends, or other financial relief in recognition of the extraordinary efforts, burden and personal risks that these caregivers have endured during this emergency.
From a cost savings perspective, it is key to consider that AFC continues to be a lower cost care option that increasingly saves the Commonwealth millions by avoiding out-of-home placements for individuals with complex medical and behavioral conditions, as many individuals would otherwise be living in nursing facility care. Even with the proposed AFC rate increases over the past years, nursing facility care still costs MassHealth two, and sometimes three, times that of AFC for similar populations. Between 2000 and 2015, nursing facility patient days paid for by MassHealth fell by 37%, in no small part due to the availability of community-based alternatives like AFC – potentially saving thousands of lives.

MCAFC, in alignment with The AFC Advisory Group, urges you to consider the following:

**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.

Additionally, MCAFC welcomes the ongoing partnership with your agency and MassHealth to analyze the yearly provider cost reports to determine the appropriate payment rates for the future and to better understand the resulting cost decision analysis report. Many of the MCAFC members continue to express concern that their increasing costs (i.e. stipend, staff or administrative), while reflected in the cost reports, have not been fully reflected in the cost decision analysis report and, subsequently, the establishment of the AFC rates. Working in partnership, MCAFC and MassHealth can work together to meet both organizations’ needs to the benefit of the shared population we serve – MassHealth Members.

Thank you for the opportunity to share this input on the proposed AFC rate regulation. On behalf of the Massachusetts Council for Adult Foster Care, thank you for your work on this rate review to ensure the future sustainability of this important program. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Linda Andrade, President
Massachusetts Council for Adult Foster Care
cc: Marylou Sudders, Secretary
    Whitney Moyer, Chief, OLTSS