

Proposed Budget Cuts Talking Points

Point Count:

Proposed budget cuts that require the elderly and disabled to meet a higher point count on the assessment tool will have significant human, financial and social consequences to the State of MO.

- ☐ This change in policy will result in the elimination of home and community based services to over 16,000 elderly and disabled citizens or, 26% of the caseload.
- ☐ Increasing the point count from 21 to 24 or 27 will not save the state money but only shift the need to higher cost services (*example: will see an increase in Emergency Room visits, hospital stays and hospital readmissions*)
- ☐ Data shows that on average, one **months'** worth of HCBS costs less than 1 **day** in the hospital. (*average cost per **day**/per person in hospital = \$2,000; average cost per **month**/per person of HCBS - \$1,139*).
- ☐ According to the *Healthcare Cost and Utilization Project (HCUP) 2014*, in 2012 the **average hospital cost per stay was \$8,100.00 for Medicaid payers**.
- ☐ Home and community based services is the most cost effective option for Missouri seniors and disabled. (*FY17 estimate annual cost: HCBS = \$12,482; Nursing Home = \$38,772*)
- ☐ It's not all about the money - Seniors have worked all their lives and deserve the right to live and receive care in the least restrictive setting
- ☐ Unnecessary ER visits and Hospital readmissions is a nationwide epidemic. HCBS providers are sought out by hospitals to help alleviate this costly issue.
- ☐ Most have no family support. Who will help them?

Reimbursement Rates:

Current Medicaid reimbursement rates do not cover the actual cost of providing care to people in their homes. Providers are already stretched and hardly able to hire quality staff. Agencies are struggling to pay livable wages, not to mention taxes, workers' compensation and liability insurance, health insurance and benefits and training. These cuts will result in providers having to make tough choices including laying off staff or closing. Providers already have a staffing crisis and cannot afford to pay overtime, resulting in reduced services available to our most vulnerable citizens.

By taking back the 3% received last year puts providers in an additional financial crisis. Providers used that increase to:

- increase direct caregiver wages;
- help to offset the unfunded EVV (telephony) mandate implemented in 2015;
- assist in paying travel time and overtime due to the repeal of the companionship exemption
- cover normal inflationary costs (business insurance, workers comp, etc)