

Missouri Cannot Continue to Ignore the FACTS

PERSONAL CARE SERVICE REIMBURSEMENT RATES MUST BE INCREASED

Home Care Providers are working to provide the best level of service with quality staff, oversight, education, and compliance. In order for providers to be able to keep pace with regulations and rising minimum wages for this critical service

PERSONAL CARE SERVICE REIMBURSEMENT RATES MUST BE INCREASED

HERE ARE THE FACTS:

The Department of Health and Senior Services (DHSS) initiated a study (Mercer Rate Study) to understand if the fee schedule rates of SFY2019 (7-1-18 through 6-30-19) being paid to Home and Community Based Services (HCBS) providers are reasonable and appropriate given current market conditions and to ensure compliance with requirements from the Centers for Medicare and Medicaid Services (CMS).

NOTE: The SFY2019 Mercer Rate Study resulting rate ranges **DO NOT** include the impact of the November 2018 Proposition B: \$12 Minimum Wage Initiative that went into effect January 1, 2019.

Rate Study Results:

FACT: SFY2019 Rates for In-Home Personal Care (*State Plan, Waiver and Healthy Children & Youth- HCY*), Homemaker, Chore, Basic Respite and Advanced Respite **DO NOT** even meet market-based, lower bound rates!!!

- Personal Care (*State Plan, Waiver and HCY*), Homemaker, and Chore are **underpaid** by 10.7% - 47.6%
- Basic Respite is **underpaid** by 24.5% - 65.9%
- Advanced Respite is **underpaid** by 11.2% - 46.4%

Even when looking at SFY2020 Rates below, programs noted are still **grossly underpaid**:

- Personal Care (*State Plan, Waiver and HCY*), Homemaker, and Chore are **underpaid** by 9.37% - 45.75%
- Basic Respite is **underpaid** by 22.74% - 63.57%
- Advanced Respite is **underpaid** by 9.57% - 44.4%

Service	Unit Definition	Current DHSS Fee Schedule Rate (SFY20)	Market-Based Modeled Rate Ranges (from Mercer Rate Study)		Rate % difference from current rate	
			Lower Bound	Upper Bound	Lower Bound	Upper Bound
Basic in Home Respite	15 minutes	\$ 4.09	\$ 5.02	\$ 6.69	22.74%	63.57%
Homemaker	15 minutes	\$ 4.59	\$ 5.02	\$ 6.69	9.37%	45.75%
Chore	15 minutes	\$ 4.59	\$ 5.02	\$ 6.69	9.37%	45.75%
Attendant Care - MF	15 minutes	\$ 4.59	\$ 5.02	\$ 6.69	9.37%	45.75%
Attendant Care - AIDS	per day	\$ 201.00	\$ 225.71	\$ 300.95	12.29%	49.73%
State Plan Personal Care - Basic Level - in home	15 minutes	\$ 4.59	\$ 5.02	\$ 6.69	9.37%	45.75%
Waiver Personal Care - Basic Level	15 minutes	\$ 4.59	\$ 5.02	\$ 6.69	9.37%	45.75%
HCY Personal Care - Basic Level	15 minutes	\$ 4.59	\$ 5.02	\$ 6.69	9.37%	45.75%
Advanced Respite	15 minutes	\$ 4.91	\$ 5.38	\$ 7.09	9.57%	44.40%

THE RATES SHOWN ON THE CHART ABOVE **DO NOT** INCLUDE THE IMPACT OF MINIMUM WAGE

Reimbursement for Personal Care Services have remained largely flat while the regulatory environment and minimum wage in our state have continued to increase.

FACT: Personal Care In-Home and CDS providers are currently working on 2017 level reimbursement rates;

In-Home Personal Care rates	only \$.35 higher than 10 years ago!
CDS Personal Care Rates	only \$.30 higher than 10 years ago!
CDS Independent Living Waiver Rates	\$.02 LOWER than 10 years ago!

Let's Compare Reimbursement Rates to Minimum Wage Increases

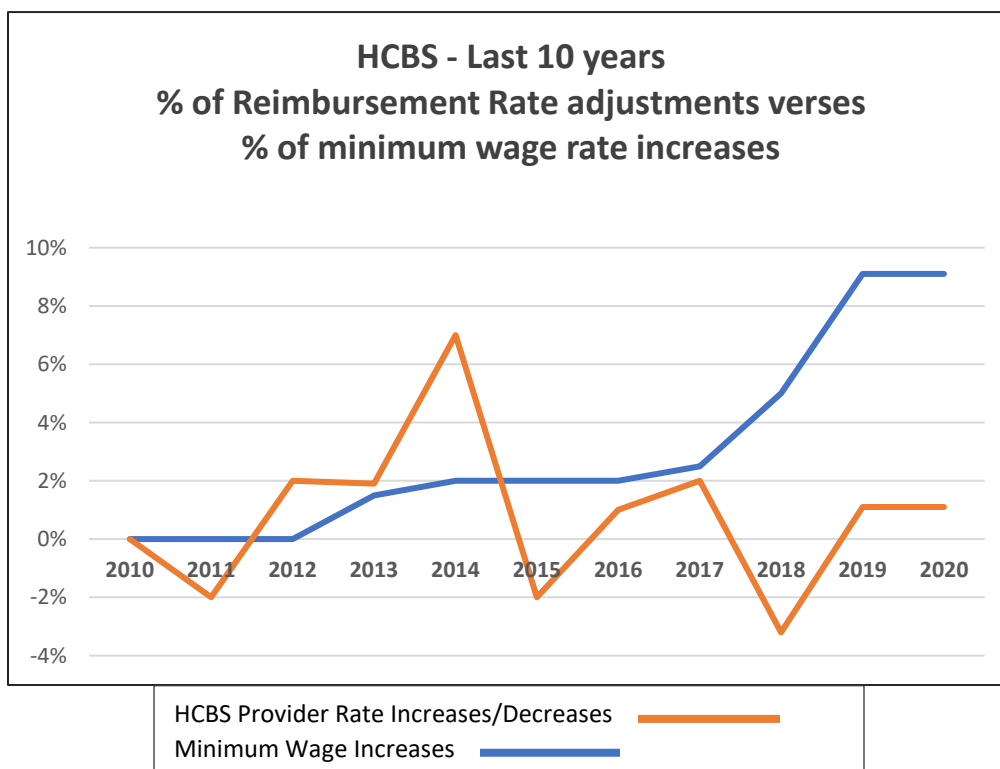
Year	Reimbursement Rates (In-Home)	Reimbursement Rates (CDS)	% increase/decrease (from prior year)	Minimum Wage Rate	% increase (from prior year)
2010	\$4.24/unit = (16.96/hour)	3.69/unit = (14.76/hour)	0%	\$7.25	2.1%
2011	\$4.16/unit = (16.64/hour)	3.62/unit = (14.48/hour)	(2%)	\$7.25	0%
2012	\$4.24/unit = (16.96/hour)	3.69/unit = (14.76/hour)	2%	\$7.25	0%
2013	\$4.24/unit = (16.96/hour)	3.69/unit = (14.76/hour)	0%	\$7.35	1.4%
2014	\$4.54/unit = (18.16/hour)	3.95/unit = (15.80/hour)	7%*	\$7.50	2%
2015	\$4.47/unit = (17.88/hour)	3.89/unit = (15.56/hour)	(2%)**	\$7.65	2%
2016	\$4.51/unit = (18.04/hour)	3.93/unit = (15.72/hour)	1%***	\$7.65	0%
2017	\$4.60/unit = (18.40/hour)	4.01/unit = (16.04/hour)	2%	\$7.70	.7%
2018	\$4.47/unit = (17.88/hour)	3.89/unit = (15.56/hour)	(3%)	\$7.85	2%
2019****	\$4.53/unit = (18.12/hour)	3.94/unit = (15.76/hour)	1.5%	\$8.60	9.5%
2020****	\$4.59/unit = (18.36/hour)	3.99/unit = (15.96/hour)	1.5%	\$9.45	9.9%
2021				\$10.30	9%
2022				\$11.15	8.3%
2023				\$12.00	7.6%

* Not a full year of increased rate; 7/1/2013 – 9/30/2013 rates same as prior year due to Governor withhold (3 months); 10/1/2013 increased rate became effective (only 9 months increased rate received)

** Telephony or Electronic Visit Verification Unfunded Mandate for In-Home and CDS personal care providers

*** Rate increase from Tax Amnesty Fund – increase effective 1/1/2016 - 6/30/2016 (only 6 months increased rate received)

**** 2019-2020 Unfunded Minimum Wage mandate



FACT: The second minimum wage increase occurred January 1, 2020, therefore the lower bound rates of the SFY19 modeled rate ranges for services listed below **ARE NO LONGER COMPLIANT WITH MINIMUM WAGE REQUIREMENTS!!!**

The same issue continues to occur as the minimum wage increases in future years.

The table below shows how the rates would need to be increased to comply with the increasing minimum wage.

**PROJECTED ESTIMATED IMPACTS TO SFY2019 MODELED LOWER BOUND RATES
TO COMPLY WITH MINIMUM WAGE**

Service Name	Effective Date			
	January-20	January-21	January-22	January-23
Basic In-Home, Respite, Homemaker, Chore, Attendant Care, Personal Care (Agency)	0.1%	6.4%	5.9%	5.6%
Advanced Respite, Advanced In-Home Personal Care	n/a	n/a	5.1%	5.6%
CDS Personal Care (State Plan)	0.1%	8.6%	7.9%	7.4%
CDS Waiver Personal Care	0.1%	8.9%	8.1%	7.6%

Missouri Department of Health and Senior Services: Mercer Rate Study for Select State Plan and 1915(c) Waiver Services

NOTE: Only the minimum wage increase was considered; other potential cost changes associated with cost of living increases or other market changes were not analyzed and are not reflected in the above chart.

DON'T IGNORE THE FACTS ANY LONGER

Providers and those they serve deserve better!

WE NEED YOUR SUPPORT!

**PLEASE HELP MEDICAID PROVIDERS WITH
THE INCREASING MINIMUM WAGE!**



For more information contact Carol Hudspeth, Executive Director
Missouri Alliance for Home Care - 573-634-7772; carol@mahcmail.org

ADDITIONAL FACTS:



PERSONAL CARE SERVICES SAVES DOLLARS

SFY20 projected average annual cost for **nursing home is \$41,906**. SFY20 projected average annual cost for **personal care services is \$12,150**.

DHSS SFY21 Budget Request

CARE AT HOME IS THE CARE OF CHOICE



Most seniors choose home and we're here to support them. **90% of people 65 and older** say they would **prefer to receive care in their own homes** as long as possible.

National Conference of State Legislatures and AARP Public Policy Institute, "Aging in Place: A State Survey of Livability Policies and Practices," 2011

THE COST TO REPLACE AN EMPLOYEE CAN BE 150% TO 250% OF THAT EMPLOYEE'S SALARY



Axxess, "Staffing Care in the Home: A Critical Need & Creative Solutions", 2018.



PERSONAL CARE SERVICES CARE FOR PATIENTS

100% of recipients receiving personal care service **benefit through Medicaid have a Nursing Facility Level of Care**

DHSS State Regulations

PERSONAL CARE SERVICES ALLOWS RESPITE FOR FAMILY CAREGIVERS

At least **20% of adult children** are taking care of an older parent. About **85% of family caregivers** in the U.S. do not receive any respite care. Nearly half of caregivers have **trouble balancing work and caregiving**.



Aging in Place – Caregiver Burnout, February 2020



10,000 BABY BOOMERS ARE REACHING RETIREMENT AGE EVERY DAY

According to the AARP, **10,000 baby boomers** are **turning 65 every single day**, and this is expected to continue into the 2030s. This means that nearly **seven baby boomers** are turning 65 **every minute**.

AARP

Personal Care Attendant and Home Health Aide are 2 of the top 5 **fastest growing professions** according to the Bureau of Labor Statistics.

United States Department of Labor Bureau of Labor Statistics, Occupational Outlook Handbook 2016-2026



Meanwhile, **these positions are extremely challenging to staff**.

Axxess, "Staffing Care in the Home: A Critical Need & Creative Solutions", 2018.