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July 30, 2020

The Honorable Marvin Abney
Chairman, Committee on Finance
Rhode Island House of Representatives
82 Smith Street, Room 35
Providence, RI 02903

RE: Include House Bill No. 7924, Support Funding for Medicaid Home Care, in SFY21 Article 14

Dear Chairman Abney,

My name is Collan Rosier and I am the Director of Government Affairs at the Maxim Healthcare Group family of companies ("Maxim"). Maxim is a national provider of home healthcare, homecare, and medical staffing solutions. Our Providence, Rhode Island office employs more than 230 caregivers serving over 170 patients throughout the State of Rhode Island, primarily private duty nursing (PDN) services. Private duty nursing is continuous skilled nursing care provided in the home for medically-complex and vulnerable pediatric and adult patient populations under Medicaid, many of whom require assistive technology such as ventilators and tracheostomies to sustain life. We are also members of the Rhode Island Partnership for Home Care (RIPHC), which represents the interests of healthcare at home providers in Rhode Island.

Maxim primarily serves the most fragile individuals in the state—including complex children and adults with special healthcare needs or complex chronic conditions. These individuals require skilled nursing services performed in the home by a registered nurse (RN) or licensed practical nurse (LPN) under the supervision of an RN from between 4 to 24 hours per day every day in order to manage their chronic condition and keep them safe in their homes and communities. Our goal is to keep these individuals in the setting that gives them the best chance to thrive, be happy, and be able to access the community in which they live.

We urge the Committee to include the language within House Oversight Committee Chairwoman Patricia Serpa's House Bill No. 7924 in Article 14, Medical Assistance of the 2021 State Budget, to provide for much-needed financial support and relief to homecare providers delivering care to Rhode Island's most vulnerable homebound Medicaid beneficiaries. The bill provides for the implementation of the annual inflation factor to cover the rising costs to deliver healthcare services, set at 5.9% based on the "New England

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Consumer Price Index card as determined by the United States Department of Labor for medical care.” In addition, the bill’s language targets specific financial issues impacting our ability to meet Governor Raimondo’s Healthcare Workforce Transformation goals and Long-Term Care Resiliency Plan benchmarks. Specifically, we are seeking a 10% rate increase to incentivize our frontline workers to travel to towns identified by the Department of Health as difficult to adequately staff because our workforce does not want to travel far at their current wages. In addition, we are seeking a 10% rate increase to incentivize more nurses to pursue enhanced training and skills to deliver care to our highest acuity patients that are difficult to staff and cause frequent hospitalizations charged to the Medicaid Program because of instability in staffing these cases.

Included in this bill is our need to have Medicaid fee-for-service rates set as the price floor for other state-funded programs, such as Medicaid managed care through the commercial insurance carriers, the PACE program, and the co-pay and respite programs funded through the Office of Healthy Aging. By ensuring that providers are not reimbursed for services below the fee-for-service rates, we can continue to provide wage growth for our frontline workers and expand the availability of our workforce by incentivizing them to provide care during currently difficult to cover shifts and move toward meeting the State’s long-term care finance rebalancing goals.

Adopting the language from House Bill No. 7924 in Article 14, Medical Assistance of the 2021 State Budget will enable homecare providers to better accomplish three priorities.

First, the COVID-19 public health emergency has made the delivery of PDN services more difficult and costly. Adopting the inflation factor and associated changes from HB 7924 will help address the increased costs and difficulty in providing PDN services related to COVID-19 and ensure the continued delivery of this critical service. Medicaid providers have been on the front lines of the pandemic and PDN services are critical to the population we serve, as well as a cornerstone of maintaining the State’s commitment to allowing these patients to stay in their homes and communities with their families and loved ones during the crisis and into the future.

Second, it will assist homecare providers in improving quality while containing healthcare costs. The cost of sixteen hours of PDN services is only a fraction the cost of a day in the hospital. Through reductions in avoidable hospital utilization, homecare providers keep people in their homes and communities—where they overwhelmingly prefer to be—and with



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appropriate skilled care support. This provides cost savings by rebalancing the state's long-term care financing toward home and community-based services (HCBS) rather than more costly facilities or institutional settings and is all the more important when hospital infrastructure is at a premium.

Third, non-competitive reimbursement rates for Medicaid providers, including those who administer PDN services, result in workforce challenges. These include increased overtime for caregivers and difficulty in finding qualified caregivers because reimbursement rates have fallen behind increases in the Consumer Price Index (CPI) as well as wages for similar positions in other settings. Providers' challenges in attracting caregivers can result in an insufficiently-sized workforce with the appropriate sophisticated skill levels to care for this highly complex population in the home. This can cause authorized service hours to go unfilled as patients are forced to seek out care in more expensive institutional settings.

Non-competitive wages and caregiver burnout exacerbate ever-growing recruitment and training challenges and result in increased turnover in our nursing staff—a problem that is endemic throughout healthcare. Furthermore, low reimbursement rates do not meet providers' operational expenses, nor allow providers to compete in the labor market. Increasing Medicaid reimbursement rates will allow providers to recruit and retain quality employees by providing more competitive wages to attract the most qualified caregivers for complex and high-acuity adults and children.

Please include this bill's language within SFY21 Article 14. Thank you for your continuous support of homecare and private duty nursing services as well as for considering my request on behalf of Maxim. If you have any questions, please feel free to contact me at 410-910-1467 or corosier@maxhealth.com.

Sincerely,

A handwritten signature in black ink that reads "Collan B. Rosier".

Collan B. Rosier

Director of Government Affairs

cc: **Members, House Committee on Finance**