

DT: March 29, 2016
TO: Chairman Dean; House HHS Finance Committee members
FM: Lisa Flynn, Hiawatha Home Care
RE: **Testimony in support of HF564**

Why a 5% Rate Increase for Home and Community-Based Services Is Critical in 2016

- I come to you as a nurse who has worked in home health care since 1988, as a family member of a medically fragile client and as the employer who provides complex home care nursing services to our medically fragile clients in the community.
- The 5% rate increase in 2014 was much needed and much appreciated, and it was a significant start in addressing the reimbursement crisis. Prior that increase our reimbursement was less than what we were reimbursed in 2007. Currently rates for Home and Community-Based Services (HCBS) remain far behind the pace of inflation. With recent increases to Skilled Nursing Facilities (SNFs), the wage gap has widened further, making it even more difficult to hire and keep workers who can care for our fragile and vulnerable patients. A 5% increase in 2016 helps close the reimbursement gap so we can hire enough qualified workers to meet the backlog of needs.
- **As a nurse:** Complex Home Care Nursing Services provide patient care equivalent to care provided in the Hospital ICU's. The biggest difference is our nurses do not have a team of staff to assist them in the event of an emergency. They are it! Therefore these nurses must be able to think on their feet.
- **On behalf of clients:** Consistent staff is the foundation for quality care. High turnover of staff is very stressful on the clients and their families. Because we cannot pay enough, workers are going to other settings, and patients (our clients) are left on waiting lists seeking care.
- **On behalf of employers:** Providers are limited on what they can pay employees because how much they pay is directly determined by state reimbursement rates. Nursing positions are difficult to keep filled due to inadequate compensation and with turnover of nursing staff the quality of care declines. In addition Employers have been mandated to provide affordable health insurance and change their fulltime eligibly from 40 hours a week to 30 hours a week and they are to accomplish this without increases to reimbursement. Employers can only absorb so much before they run out of business. in 1 year our OOP insurance cost increased by \$108,000/year.
- **Improved access to care:** In all my years we have never had such a long waiting list of client's needing home care nursing services. Our current pending client waiting list is 7 and it has been as long as 13. The reason for the wait is that hiring nurses to work in home care is difficult as our wages and benefits cannot begin to compete with hospitals and right now everyone is looking to hire nurses and they tend to gravitate to higher wages, big sign on bonuses and affordable health insurance.
- **Compliance:** Minnesota's Olmstead Plan and CMS have mandated that individuals live in the least restrictive settings with as much independence as possible. Please support this critical increase in HCBS rates.

Sincerely,

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