February 9, 2012

Committee members, staff, fellow advocates and citizens of Minnesota,

My name is Bruce Emmel. I am the President and CEO of Home at Heart Care, Inc. a Personal Care Provider Agency located in Clearwater County. Currently Home at Heart has 223 Personal Care recipients, 53 percent of which reside on the Red Lake Indian Reservation, with the rest spread over a 10,000 plus square mile area of Northwestern Minnesota.

I am here to ask you to repeal the portion of the 20% rate reduction for PCA's providing care to relatives as proposed in House File 1907. I have four reasons for this request.

First, this policy negatively affects minorities. Home at Heart Care serves roughly one percent of Minnesota's Personal Care Recipients, but 49 percent of all our active PCA's live on the Red Lake Reservation. Last fall we discovered that 57 percent of all our PCA's met the Relative criteria of being related to at least one of their recipients, which is just over *twice* the DHS's estimated statewide average of 28% PCA's who meet the relative criteria.

There is a more profound statistic that is not documented at DHS. I can estimate that ninety-nine percent (99%) of all recipients living on the Red Lake Indian Reservation had some type of relationship to their PCA prior to their start of PCA service, whether that relationship was a "relative" as defined in the Minnesota PCA statutes, or a cousin, nephew, significant other, or family friend. I can make this estimate because of the 230 PCA recipients we have served on the Red Lake Reservation; we have only successfully placed 2 PCA's from outside the reservation who had not been known to the PCA before services began. Unfortunately, for Red Lake recipients, the 20% lower reimbursement rate for relative PCAs only penalizes those closest in blood to the recipient and, in the opinion of our recipients, the ones most vested in their care. It has made our job of finding qualified caregivers that much harder and has forced good PCA's to look for jobs elsewhere.

Second, as a newcomer to the Direct Care Profession 6 years ago, I saw a glaring inequity in how the PCA program treated relatives. For example, if a couple lived together under the same roof for 30 years but never legally married, one partner was still able to receive DHS reimbursement as a PCA for the other. On the other hand, the Department of Human Services refused to provide reimbursement for a married person providing PCA services for his or her spouse. The legislation that passed last year, reducing the payment to either couple's adult children, who are honoring their parents' wishes to remain at home as long as possible, was another step in the *wrong* direction.

Last year's legislation is neither Pro Life nor Pro Family because it does not support the vulnerable and it discriminates against the traditional family. As a provider who has witnessed the pain it has caused my recipients' families, I urge you to please support the families whose desire it is to care for their own blood, most of which cannot do it without your help. Family care givers should not be penalized because they are related.

Third, I've been told that part of the motivation behind this law was that some believe that the risk of fraud increases when a relative works for a recipient. I would argue that the potential for fraud decreases as the ADL, Critical Cares and Health care needs increase and as the availability of finding someone to accomplish their cares decreases. I have found that recipients and responsible parties are most engaged with their care when they have a high need for PCA care. Whether it is for multiple ADL dependencies, health or behavior issues or PCA availability, the more involved the recipient is with directing their care, the more they hold the PCA accountable.

Finally, as you may be aware, due to a restraining order by Ramsey County District Court, the lesser relative PCA reimbursement rate has never taken effect. Due to the restraining order, the Department of Human Services has continued to make payments to providers such as ours by paying the same rate for non-spousal relative PCAs as it pays for non-relative PCAs. However, they have also threatened on their website that, if it wins the lawsuit, it will demand that we providers repay these so-called "excess amounts" to the DHS. Such a requirement to pay back 20% of amounts paid to providers for relative PCAs causes a significant hardship on small providers like ours.

For the reasons above, <u>I support House File 1907 and the repeal of the 80% relative PCA reimbursement rate.</u> This lesser rate is not pro-family, it is not pro-life and it is discriminatory to minority communities where many relatives provide PCA services including the Red Lake tribal community. Additionally, passage of this bill would stop the litigation and remove the fear of DHS "clawback" that currently places smaller providers such as ours, which serve low-income and minority communities, at a financial disadvantage.

If I could add, in 2009, the Legislature made reforms to the PCA program that overall we believe were a good start, however it also reduced time for those who need it the most. Today I emailed to each of the Representatives on this committee a copy of my testimony and suggestions for real reforms that would without a doubt, negatively affect our bottom line, but would be the right thing for the State of Minnesota and more importantly support the Recipients who need the care the most.

We are extremely proud of our PCA's who faithfully provide cares to our Recipients. The PCA program is the best cost effective Long Term Care tool that Minnesota has to support families with elderly, chronically ill or disabled members. Many without financial help from somewhere could not do it.

Thank you for letting me advocate on behalf of Minnesota Health Care Recipients up north and the staff of Home at Heart Care.

Respectfully,

Bruce Emmel
President, CEO
Home at Heart Care, Inc.

SUGGESTIONS FOR THE
HEALTH AND HUMAN SERVICES FINANCE COMITTIEE
REGARDING
PERSONAL CARE REFORM

Speaking for the owners and the management of Home at Heart Care, we would like to suggest 3 recommendations to further reform Personal Care in the state of Minnesota. These recommendations if enacted would likely reduce our client base and revenue, but it is the right thing for Minnesota and the responsible thing to do. I am sure like myself; you also want to protect the Personal Care Program for those who need it the most.

The numbers below are just suggestions, Legislators can work out the numbers with DHS, but our recommendations are as follows:

1 Similar to the Phase 1 and 2 reforms enacted in 2009, we recommend stricter access criteria for the PCA assessment process to qualify for PCA services such as requiring 4 ADL dependencies (currently 2 ADLs) but only if it was balanced by an appeal process that would require a Physicians approval or doctor's prescription for PCA service for recipients with 2-4 ADL dependencies. This would allow any MA qualified recipient to receive PCA services if truly needed and the need could be verified by a physician.

2 An across the board Medical Assistance Cost of Living Adjustment decrease for all MA fee for service providers would be an acceptable alternative only if it was part of a bipartisan fair budget and it was also balanced by allowing Managed Care Case Managers and County Waivered Case Managers to triage PCA recipients and boost provider payments by 10 and 25 percent for High Risk and Extremely High Risk Recipients.

3 The PCA program is the most cost effective Long Term Care tool that Minnesota has that supports families with elderly, chronically ill or disabled family members to remain in their home. Without financial help from somewhere they could not do it. Do the right thing for all families and our most vulnerable citizens and allow a spouse to provide one seventh of the recipients billed hours. Non-traditional families can do this, why can't traditional families? Making this change reflects the world we live in and would indirectly support the recipient to remain independent in the community and it would encourage some of the states more reclusive recipients to receive Personal Care and other needed services.