The Bell Policy Center

Colorado Medicaid Home and Community Based Services 2017 Rate Review

Testimony to the Medicaid Provider Rate Review Advisory Committee
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Thank you for the opportunity to provide comments regarding Medicaid's rate review process for providers of Home and Community Based Services (HCBS).

I am Natalie Wood, a senior policy analyst with the Bell Policy Center, a research and advocacy organization that promotes public policies aimed at creating economic opportunity for Coloradans – including policies that focus on fiscal, aging, and caregiving issues. This testimony offers considerations for the Department of Health Care Policy and Financing (HCPF) and the Medicaid Provider Rate Review Advisory Committee (MPRRAC) as it recommends rates for HCBS providers. The Bell urges you to review the rates and set them at a level that will attract workers to this field, ensure services are available and allow providers to afford to pay their workers decent wages.

HCBS are valuable for the over 44,000 Coloradans who are served by them. And they are valuable to our state. Over the past few years, Colorado has spent a little over $16,000 a year on each enrollee receiving HCBS compared to nearly $60,000 for those receiving care in a nursing facility.[i] Nearly 40 studies published from 2005 to 2012 found that providing HCBS is less costly than institutional care.[ii] By adequately funding HCBS programs and providers and other long term services and supports (LTSS), Colorado is making sound, strategic investments that will save our state money as our aging and disabled populations grow.

Our state has been a leader in providing long-term services and support.[iii] A 2014 scorecard released by AARP, the Commonwealth Fund and the SCAN Foundation ranked Long Term Services and Supports (LTSS) in all 50 states. Colorado's system ranks fourth in the country, and ninth for the percentage of Medicaid and other state funding going toward HCBS for older Coloradans and those with physical disabilities (47.1 percent).[iv] Both scores were improved from the 2011 scorecard findings.

While we can be proud of this success, several Colorado statewide groups have recently stressed the need to maintain focus on the workforce that provides these services.

The Strategic Action Planning Group on Aging (SAPGA) was created in 2015 and issued its initial strategic plan in November 2016. This bipartisan group, in which the Bell participates, is charged with elevating strategies and policies that will prepare us for the needs of an aging population. SAPGA has laid out several goals around the workforce for our state, including that there "are enough skilled, educated and trained workers, paid commensurate to their abilities and training, to meet the needs of employers and industries serving Colorado's growing senior population."[v]

SAPGA's goal tracks closely with recommendations made by other groups in Colorado. The Community Living Advisory Group (CLAG) recommended that Colorado "grow and strengthen the paid and unpaid LTSS workforce." The Colorado Commission on Aging, in a report published with the Colorado Department

of Human Services, set forth a goal of "promoting fiscal security for caregivers." Its research found that while direct care work is a fast-growing occupation, the rate of pay threatens family economic security. In 2009, nearly half of direct care workers lived in households where their incomes were low enough to make them eligible for most state and federal public assistance programs.[vi] In 2014, the Bell analyzed Colorado-specific information, examining the personal incomes of home health workers. Our research showed that one-third of these direct care workers had personal income at 150 percent of the federal poverty level or below.[vii]

As the 2014 scorecard indicates, state funds comprise the bulk of HCBS funding in Colorado. Our Medicaid program thus plays an important role in determining the rate of pay for providers in these services, setting the tone for the market and helping ensure that workers are earning a living wage.

Colorado policymakers have invested resources in certain aspects of health care where they see a potential or actual return on that investment. For example, the legislature has found value in maintaining increased reimbursement rates for Medicaid primary care providers. This is because primary care, and preventive care, is often more efficient and effective from both a cost and patient outcome perspective. Higher reimbursement rates can make more providers willing to provide care, which improves patient access. A Colorado Health Institute report on provider rates and access noted that few studies have measured the impact of higher rates on doctors' willingness to accept Medicaid.[viii] However, the Institute also points to a 2012 study which found that doctors in states with higher Medicaid reimbursement rates were more willing to accept new Medicaid patients, although the relationship was modest.[ix]

Evidence shows that HCBS services likewise are efficient and effective from a cost and patient outcome perspective. It stands to reason that increased provider rates for some of HCBS services will help increase patient access. We urge MPRRAC and the department to consider suggesting rate increases for HCBS services that are efficient and effective.

We also want to draw close attention to the reimbursement rates for respite care providers. Colorado is investing time and resources into making our state a leader in the field of respite care. Last year, the General Assembly enacted several recommendations of the Colorado Respite Care Task Force, which will help Colorado caregivers access better training, information and services. The Bell is part of a project that will accomplish these goals, because we believe that respite care is a crucial piece of the caregiving infrastructure in Colorado. SAPGA found compelling reasons to bolster and reinforce these recommendations as well, in part because of research it commissioned from CHI that pointed to the benefits of respite for informal caregivers in our state.[x]

In addition to recommendations, the Respite Care Task Force's 2015 report offered additional areas for study, one of which was to "conduct a study to assess the adequacy of reimbursement rates for different types and levels of respite care." The group's research led them to believe that "inadequate rates are a major barrier to the use of services."[xi] Similarly, the SAPGA caregiving report postulated that respite care was underutilized because of low provider availability – and that providers are unavailable because of "low-wages, high emotional toll and subsequently, the frequency of burnout and turnover."[xii]

Colorado's rate review of this important service could not be occurring at a more crucial, and opportune, time. We ask that the MPRRAC and the Department take note of these suggestions and findings.

[i] Creating Supportive Communities for Colorado Seniors: Strategies for Successful Implementation of Community-Based Aging Programs. Colorado Health Institute. October 2016. https://www.colorado.gov/pacific/sites/default/files/Supportive%20Community%20Report_Final%2010-7.pdf

[ii] U.S. Senate Committee on Health, Education, Labor and Pensions. Separate and Unequal: States Fail to Fulfill the Community Living Promise of the Americans with Disabilities Act. July 2013.

[iii] Colorado Health Institute blog post. "A Voice in How to Live: Governor Receives Recommendations for Supporting Older Coloradans and Those with Disabilities." October 2014. http://www.coloradohealthinstitute.org/blog/detail/a-voice-in-how-to-live-governor-receives-recommendations-for-supporting-older-coloradans-and-those-with-disabilities

[iv] The Commonwealth Fund, AARP and the SCAN Foundation. "Raising Expectations: A state scorecard on long-term care services and supports for older adults, people with physical disabilities, and family caregivers." 2011. http://www.longtermscorecard.org/

[v] Initial Strategic Action Plan on Aging for Colorado. November 2016. https://www.colorado.gov/pacific/sites/default/files/SAPGA-Nov-2016-Strategic-Plan.pdf

[vi] Colorado Department of Human Services and the Colorado Commission on Aging. Colorado Aging Framework: A Guide for Policymakers, Providers and Others for Aging Well in Colorado. July 2015. https://drive.google.com/file/d/0B6jLab7wPqJtWkZ4QnF0QTR5VGQxVy1raGJ4cFppSnI5b09F/view?usp=sharing

[vii] Colorado's Care Economy," Caring Across Generations, August, 2014.

[viii] Morgan, A. Reimbursement Parity: Will More Doctors Accept Medicaid? Colorado Health Institute. 2014. http://www.coloradohealthinstitute.org/insights/insight/reimbursement-parity-will-more-colorado-doctors-accept-medicaid#

[ix] Decker, S. In 2011 Nearly One Third of Physicians Said They Would Not Accept Medicaid Patients, But Rising Fees May Help. 31, no.8 (2012):1673-1679 Health Affairs.

[x] Putting a Price on Informal Caregiving in Colorado. Colorado Health Institute. August, 2016. https://www.colorado.gov/pacific/sites/default/files/SAPGA%20Caregiving%20Report.pdf

[xi] Colorado Respite Care Task Force. 2016 Report. January, 2016. https://drive.google.com/file/d/0B6jLab7wPqJtZlNqTGJZdmNnLUplcjk1SkhYQmd0MVVmMHhr/view?usp=sharing

[xii] Putting a Price on Informal Caregiving in Colorado. Colorado Health Institute. August, 2016. https://www.colorado.gov/pacific/sites/default/files/SAPGA%20Caregiving%20Report.pdf