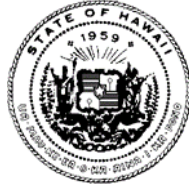


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March 20, 2024

TO: The Honorable Lisa Marten, Chair
House Committee on Human Services

FROM: Cathy Betts, Director

SUBJECT: **HCR 91/ HR 75 - REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO ESTABLISH A WORKING GROUP TO ADDRESS ISSUES RELATING TO REIMBURSEMENTS AND PAYMENTS TO HOME AND COMMUNITY-BASED SERVICES PROVIDERS.**

Hearing: March 21, 2024, 9:30 a.m.
Conference Room 329 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) offers comments.

PURPOSE: This resolution requests that DHS establish a working group to address issues relating to reimbursements and payments to home and community-based services (HCBS) providers in order to: conduct a comprehensive analysis of the current reimbursement and payment system for HCBS providers; identify areas where improvements can be made to support HCBS providers; explore strategies to enhance reimbursements and payments to HCBS providers including policy changes, negotiation strategies, and alternative funding sources; and engage with HCBS stakeholders to gather input and feedback on reimbursement and payment enhancement measures. The working group is required to provide quarterly updates and submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2025; and cease to exist on June 30, 2025.

DHS understands the significant challenges of the many HCBS providers and thus has taken several actions or collaborated with many others to try and address them. DHS Med-QUEST Division (MQD) proactively conducted comprehensive, in-depth HCBS rate studies consisting of two phases. Phase I, completed in 2022 and referenced within the resolution, focused on a subset of highly utilized HCBS services: community care foster family homes (CCFFH), expanded-adult residential care homes (E-ARCH), case management agencies, and various in-home related HCBS services such as private duty nursing Homemaker/Chore and personal care/personal assistance. Additionally, Phase II, conducted in 2023, built upon the Phase I study by expanding to an additional set of HCBS: assisted living facilities, adult day health, adult day care, home-delivered meals, respite, and a recommendation for another tier for higher acuity individuals in CCFFHs or E-ARCHs. The Phase II study was presented in 2024, and all materials are available on the Med-QUEST Division's [website](#). The two rate studies involved many meetings with the various types of providers of the different home and community-based services being studied, some of whom are named as participants in the working group. The findings and recommendations of the comprehensive two-year rate studies have informed the State Budget appropriations request for fiscal biennium 2023-2025.

Also, HB 2216, "Relating to Care Homes," proposes to increase the State Supplemental Payment maximum amount paid to various types of care homes. The maximum has not increased for more than 14 years due to the statute remaining unchanged for that time.

Additionally, HB2224 "Relating to Long-Term Care" charges the Department of Health's Executive Office on Aging (EOA), one of the named participants in the working group, to create a comprehensive long-term care master plan to accomplish policy goals, access to the entire continuum of care. Such a plan would include financing of not only home and community based care but the whole continuum of care. This broader, more comprehensive approach would be needed to consider all of the home and community based services in the state.

Finally, the comprehensive analyses and report requested are similar to the MQD rate studies, which are significant and costly undertakings. Therefore, DHS would require an appropriation to convene the working group and complete the requests for a comprehensive analysis of all home and community based services and a report to the legislature. The

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Legislature could consider implementing the various existing rate studies that would help the sustainability of at least the residential care homes, even if that does not address all HCBS providers.

Thank you for the opportunity to provide comments on this measure.