



To: House Committee on Finance
From: Linda Katz, Policy Director
Date: April 14, 2021
Re: Support Budget Article 12, Section 4, Section 12 – increase Maintenance of Needs Allowance, and rate increases to certain providers

This testimony is submitted by the Economic Progress Institute (EPI) on behalf of Voices for Better Health (VBH), a partnership among EPI, the RI Organizing Project and the Senior Agenda that works to ensure that seniors and people with disabilities enrolled in the Medicaid program have access to high quality health care including access to home and community based long term care services. With a focus on racial justice and equity, VBH advocates for culturally appropriate care for individuals as well as for better pay and working conditions for caregivers who are disproportionately people of color.

We write in support of Budget Article 12, Section 4 and these proposals in Section 8: Increase the Maintenance of Need Allowance, increase rates paid to shared living providers, increase rates for some direct care workers, increase rates for assisted living providers. These changes will accomplish 3 important goals: increase opportunities for seniors and people with disabilities who need long-term care services to live safely at home or a home-like environment, recognize and more adequately compensate the direct care workers who are critical to ensuring the care and safety of seniors and people with disabilities, and improve services for individuals living in nursing facilities.

Increase the Maintenance of Need Allowance from 100% FPL to 3x SSI.

Under current law, seniors and people with disabilities who need Long Term Care Services may qualify for Medicaid under expanded income limits. If found eligible, they are required to contribute to their cost of care – giving EOHHS all income except for a “maintenance of need allowance” (MNA). For people living at home, the current MNA is 100% FPL (\$12,880/year) and the balance of their income must be paid to OHHS. The individual is simply not able to survive at home – pay rent, mortgage, utilities, food, etc. on a poverty level income. The average rent for a one-bedroom apartment of \$911 consumes 84% of a poverty level income. This proposal would increase the MNA to 3x the SSI payment level (\$32,200) – letting the individual retain enough of his/her income to afford to stay at home. Massachusetts uses 3x SSI for the MNA, Connecticut’s MNA is twice the federal poverty level. Many other states also have higher MNAs. Increasing the MNA is critical to the state’s efforts to encourage more seniors to live at home instead of moving to a much more costly nursing home setting.

Increase pay for direct care workers – improving care in the community and in nursing facilities

The Article proposes to increase rates paid to nursing homes, homecare agencies, and assisted living providers, in thoughtful ways that recognize the need for increasing compensation for this vital part of the workforce, including increase pay for increased skills. This includes: increasing the pay for caregivers employed by home health agencies and nursing facilities who work overnight shifts, and for those workers who have a certificate in caring for people with behavioral health needs. The increased

reimbursement for assisted living providers who care for people with behavioral health and cognitive diagnoses and increased rate for nursing homes caring for individuals who require ventilators or have behavioral health needs recognize that reimbursement differentials are an important part of a system that can appropriately meet higher needs.

Overall, the proposed changes described above help Rhode Island move forward with its long-stated objective of 'rebalancing long-term care' to support more seniors and people with disabilities to live where they want to live... in their homes.

Thank you for consideration of this testimony.
