



Massachusetts Council  
for Adult Foster Care

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## Amendment #560 Ensuring the Sustainability of the Adult Foster Care Program

### AMENDMENT LANGUAGE:

Mr. Keenan moves that the proposed new text be amended in section 2, in item 4000-0601, by adding the following words:- “; provided further, that MassHealth shall meet with key stakeholder groups, no later than October 1, to identify costs associated with operating accredited adult foster care programs and shall, no later than January 1, 2020, provide to the House and Senate Committees on Ways and Means a report on the funding necessary to implement reimbursement rates for adult foster care services that recognize the provision of quality services and the costs associated with operating accredited organizations”

### BRIEF SUMMARY:

This amendment will require MassHealth to meet with key stakeholder groups by October 1, 2019 to identify costs associated with operating accredited adult foster care programs. By January 1, 2020, MassHealth will provide a report on the funding necessary to implement reimbursement rates for adult foster care services to ensure the future sustainability of the program.

### RATIONALE:

- In 2017, MassHealth cut the AFC rates to levels below those that were in effect over 10 years ago. MassHealth required no change to the caregiver stipends and the millions of dollars in reimbursement losses have had to be absorbed by the AFC providers alone.
- As a result of lower reimbursement rates, some AFC providers have not been able to hire needed care team staff and other providers have had to cut members of the care team, including nurses and care managers. Where staff shortages exist, caseloads have increased an average of 25%. These increased caseloads translate to fewer supports being available to AFC members and their caregivers, outside of required visits.
- On top of impacts to staffing and caseloads, the AFC rate cuts were implemented simultaneously with a new set of AFC program regulations, which include, among other new requirements, that all AFC agencies be accredited by 2019. Accreditation comes at a high cost to AFC providers—averaging between \$15,000 and \$25,000 per agency. (Note: Mass. Council for Adult Foster Care supports accreditation and high standards for all providers. Quality agencies are committed to meeting all new requirements while continuing to provide care support throughout the Commonwealth to the AFC members and caregivers.)
- While an earmark in the FY19 budget provided a \$2 million temporary rate stabilization, annual rate stabilizations are neither good policy nor predictable enough for AFC providers to rely on. This amendment will simply ask MassHealth to identify what funding may be needed in the future to return reimbursement rates for adult foster care to a level that ensures the future growth and success of this important cost-saving program.
- Further, this amendment will provide an opportunity for MassHealth and key stakeholders to address the concerns about lower than feasible reimbursement rates. The result, which will include identifying key cost drivers within the program, will provide predictability to both MassHealth and AFC provider organizations – thereby reducing a reliance on temporary rate stabilizations and supporting the long term prospects of this important program.
- AFC, which serves approximately 12,5000 individuals, is a critical element of the Commonwealth’s Community First strategy and one of a few community options available to MassHealth members who need around-the-clock support and supervision. Most members in AFC meet an institutional level of care. **The cost to the Commonwealth of supporting these members at home in AFC is typically half the cost of nursing facility care.**