

Amendment #651 Ensuring the Sustainability of the Adult Foster Care Program

AMENDMENT LANGUAGE:

Ms. Farley-Bouvier of Pittsfield moves to amend the bill, in section 2, line-item 4000-0601, by inserting the following words at the end thereof:-

“; provided further, that MassHealth shall meet with stakeholders to develop a strategy and timeline for the implementation of reimbursement rates for adult foster care services that recognize the provision of quality services and the costs associated with operating accredited organizations, provided further that MassHealth shall provide said plan to the respective committees on ways and means no later than January 1, 2020”

BRIEF SUMMARY:

This amendment will require MassHealth to meet with key stakeholder groups that provide adult foster care services to develop a timeline and mechanism for adjusting reimbursement rates. The plan will address how to implement adult foster care rates that appropriately reflect the cost of providing quality services and, at the same time, meet the costs of the heightened program integrity requirements. The plan will be provided to the House and Senate Committees on Ways and Means, respectively, no later than January 1, 2020.

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.
- 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.
- 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.)
- This amendment will provide an opportunity for MassHealth and key stakeholders to determine a plan of action for addressing the concerns about lower than feasible reimbursement rates. The result 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.**