



May 24, 2021

Kate Massey
Medicaid Director
Michigan Department of Community Health
400 South Pine Street
Lansing, MI 48913

Dear Director Massey:

I write today on behalf of the Home Care Association of America Michigan Chapter, which represents home and community-based services (HCBS) providers across the state. We bring personal care into the homes of seniors and people with disabilities so they can stay independent and healthy, and provide private duty nursing services to children with complex medical conditions so families can remain together.

Last week, the Centers for Medicare and Medicaid Services (CMS) provided guidance to you and your fellow State Medicaid Directors about how you can use a temporary 10 percentage point increase in the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for HCBS effective April 1, 2021, as outlined in Section 9817 of the American Rescue Plan Act of 2021 (ARP). The guidance notes that states must use the additional funds equivalent to the amount of federal funds attributable to the increased FMAP to **implement or supplement** the implementation of one or more activities to **enhance, expand, or strengthen HCBS under the Medicaid program**.

We all know the saying: “there’s no place like home.” More and more, people are choosing to receive personal care and assistance at home as they age, rather than going into a skilled nursing facility. Families of children with medical needs such as feeding tubes and ventilators also recognize the importance of receiving nursing care at home, so the parents can continue to work and the family can remain together. Not only is home-based care the preferred option, but it is significantly less costly to state Medicaid programs than institutional care.

During the COVID-19 pandemic, home became even more critical to all of us – especially those who rely on home care. Home-based care was the prescription for all of us, and our industry responded. And while the demand for HCBS is increasing exponentially, our supply of caregivers is not.

As an industry, we struggle to hire and keep RNs and LPNs for private duty nursing and aides and caregivers for personal care. Right now, our country is facing a new epidemic: the lack of willing and qualified workers. The home care industry is not immune to this struggle. Many agencies are forced to cut hours or turn away clients because we do not

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have the caregivers to staff the cases. This means that some seniors will not receive the assistance they need to eat healthy and reminders to take their medications. Some adults with disabilities will not be able to receive help getting in and out of bed and to and from work and social engagements. And families caring for a child with a medical condition will not be able to work outside of the home, or will be forced to place the child into residential care.

We write today to offer several suggestions about how our state can use the available 10% increase in FMAP dollars. Our biggest concern and primary suggestion is use the funds to increase Medicaid reimbursement rates for personal care services and private duty nursing so we can adequately recruit and retain these essential workers to provide critical care at home to our patients and clients. CMS expects that the agency that receives payment under such an increased rate will increase the compensation it pays its nurses and aides. This is critical, since a shortage of home care nurses and personal care aides leads to an increase in more costly care settings, costing the state more dollars and preventing vulnerable seniors and medically fragile children and adults from receiving services in their preferred setting – at home.

Our workforce challenge is also being exacerbated by additional state and federal dollars which make it tough to attract both experienced AND new caregivers to our industry. By using the additional funds to support an increase in Medicaid reimbursement rates, home care agencies will be in a better position to compete with hospitals for RNs and LPNs and with competitors such as Amazon and fast food for personal care aides.

In addition to a rate increase, we also offer several other suggestions to enhance, expand, or strengthen Medicaid HCBS. Here are some additional suggestions:

- **Workforce Recruitment:** Conduct activities to recruit and retain home care workers. Offer incentive payments to recruit and retain home health workers and direct support professionals
- **Leave Benefits:** Provide paid sick leave, paid family leave, and paid medical leave for home care aides that are not already included in the service rate/rate methodology
- **Specialized Payments:** Provide hazard pay, overtime pay, and shift differential pay for home care workers that are not already included in the service rate/rate methodology
- **Increased Access to HCBS:** Provide new or additional Medicaid HCBS services or increase the amount, duration, or scope of HCBS to reduce the risk of institutionalization, especially during the pandemic
- **Supports for Family Caregivers:** Support family care providers of eligible individuals with needed supplies and equipment, which may include items not



typically covered under the Medicaid program, such as PPE and payment as a service provider.

- **Educational Materials:** Prepare information and public health and educational materials in accessible formats for individuals (including formats accessible to people with low literacy or intellectual disabilities) about HCBS and all available options.

We appreciate your consideration and welcome the opportunity to work with you on any new initiatives to strengthen the HCBS program for the Michigan residents who rely on it.

Sincerely,

A handwritten signature in black ink that reads "Russ Knopp".

Russ Knopp, Comfort Keepers
Chair, HCAOA Michigan Chapter