



The Commonwealth of Massachusetts

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The Honorable Aaron Michlewitz, Chair
House Committee on Ways and Means
Massachusetts House of Representatives
State House Room 243
Boston, MA 02133

RE: Elder Affairs FY24 Budget Requests

Dear Chairman Michlewitz,

Hope this note finds you well. This letter serves as a summary of the requests the Joint Committee on Elder Affairs received for the FY24 budget. As the House Committee on Ways and Means reviews proposals for FY24, I would ask for special attention to be given to measures seeking to address the unprecedented workforce crisis currently impacting long-term care services for our older adults.

Unfilled vacancies across the continuum are not only significantly impacting the quality of care but preventing seniors from accessing services altogether. I'm hearing stories from families who have been unsuccessful in getting their loved ones admitted into nursing homes or finding the necessary services to keep them safe at home due to staffing shortages. There are 4,000 people on the waitlist to get care. Among the Elder Affairs requests listed below, the Nursing Facility Workforce investments (#1) and Enough Pay to Stay (#2) would do the most to support direct care workers. Yet, there are other policies such as tuition reimbursement and free community college that would help recruit and retain workers for the entire continuum of care.

Elder Affairs FY24 Budget:

- 1) **Nursing Facility Workforce Investments** – Line Item 4000-0641 (Mass Senior Care)
- 2) **Extend and Annualize Home Care Workforce Rate/Wage Increases** – Line Item 9110-1635 (Enough Pay to Stay)
- 3) **Restore \$4.7 million to the Elder Supportive Housing Program** - Line item 9110-1604 (Mass Home Care)
- 4) **\$3 million for the SHINE Benefits Counseling Program** – Line Item 9110-1455 (Mass Home Care, Massachusetts Councils on Aging)

- 5) **\$200,000 for the LGBTQIA+ Aging Project to Support the Massachusetts Special Legislative Commission on LGBT Aging** - Line Item 9110-0100 and 9100-1630
- 6) **\$300,000 for Dementia Care Coordination (DCC) Program** – Line Item 9110-1630 (Alzheimer’s Association, MA/NH)
- 7) **\$3.5 million for Geriatric Mental Health to Fund Elder Mental Health Outreach Teams (EMHOTs)** – Line Item 9110-1640 (Dignity Alliance, Massachusetts Councils on Aging)
- 8) **Increase the Formula Grant to \$14 per elder/year to meet increased needs and fully fund the Service Incentive Grant Program** - Line Item 9110-9002 (Massachusetts Councils on Aging)
- 9) **Rest Home earmarks in State Supplemental Aid and DTA Emergency Aid** Line Item 4408-1000 and 4405-2000 – Massachusetts Association of Residential Care Homes (MARCH)
- 10) **\$500,000 for the LeadingAge Long-Term Supports and Services (LTSS) Actuarial Study**

Thank you in advance for your consideration of these requests. I would welcome the Committee’s feedback and guidance on the requests for new funding – Leading Age Massachusetts is requesting funding for an actuarial study on Long-Term Supports and Services (LTSS) funding that would cost **\$500,000**. They are unsure of which line item would be most appropriate for their request, so we would appreciate any feedback on where it should go. Below, you’ll find a brief narrative for each budget. Please don’t hesitate to contact my office if you have any questions or need additional information.

Sincerely,



Thomas M. Stanley

1.) **Nursing Facility Workforce Investments** – Line Item 4000-0641 (Mass Senior Care)

Mass Senior Care requests an additional **\$112 million** to support nursing facility workforce investments under line item **4000-0641** (nursing facility Medicaid rates) of the FY24 budget. While nursing facilities have been able to raise wages from support from the state and federal government, they still struggle to retain and hire staff. The organization estimates that approximately **6,900** – or **1 in 5** - direct care positions (RNs, LPNs, and CNAs) remain unfilled. This funding would allow nursing facilities to maintain current workforce wages that were increased using one-time government pandemic funding. Mass Senior Care claims that without the \$112 million appropriation, its members will likely be forced to reduce wages, further exacerbating the current workforce crisis.

It is my understanding that at least **50%** of the \$112 million would be reimbursed by the Federal Government. As such, the net cost to the state would be **\$55 million**. Moreover, this funding would impact approximately **35,000 direct care workers** (19,500 CNAs, 6,500 RNs, and 9,000 LPNs) employed in the industry. Mass Senior Care’s request also includes language ensuring that the funds are used exclusively for direct care staff, consistent with the Commonwealth’s current [direct care quotient](#). The house earmarked \$56 million for direct care staffing costs- we thank you for your leadership with that. We hope we can build off that for FY24.

2.) **Extend and Annualize Home Care Workforce Rate/Wage Increases** – Line Item 9110-1635 - (Enough Pay to Stay)

This funding enhances rates paid to home care agencies that contract with Aging Service Access Points (ASAPs) to increase compensation earned by frontline homemakers, personal care attendants, and home health

aides. The Governor's FY24 recommendation does not include any funding for Enough Pay to Stay. Historically, this is something the house has taken leadership on. It is our understanding that the EOEA was supposed to update the rates for Chapter 257 by Jan. 2023, but the Enough Pay to Stay coalition has not received the new rates yet. Thanks to the Committee's support, the Legislature has restored this much-needed funding in previous budgets.

Without continued funding in FY24, this rate add-on investment will expire on June 30th. Rates, and the wages and benefits they support, will fall back by nearly **\$3 per hour**, making it much harder for home care agencies to recruit and retain the workforce needed to meet the growing demand for safe, in-home care.

Based on utilization data gathered by the Enough Pay to Stay Coalition (Mass Home Care, Home Care Aide Council, and Home Care Alliance), the request for FY24 comes out to **\$57,016,220.42** and a net state cost of **\$37,674,218** after Federal Financial Participation (FFP). It is my understanding the Coalition provided HWM with a complete breakdown of the data. Overall, this funding would support between **60,000-90,000** home health aides and home care aides. Investing in these essential workers will help keep our adults safe and healthy at home and in the community while also creating jobs and saving the Commonwealth money.

3.) Restore \$4.7 million to the Elder Supportive Housing Program - Line item 9110-1604 (Mass Home Care)

In the FY21 budget, the Legislature provided the Executive Office of Elder Affairs (EOEA) with new funding to expand Elder Supportive Housing Sites throughout the Commonwealth. EOEA then partnered with the ASAP network to launch these sites in a dozen communities. Since their inception, the Elder Supportive Housing Sites supported over 1,480 resident units in 30 buildings. Each Elder Supportive Housing program features a Supportive Housing Coordinator who provides tenancy preservation support and manages on-site 24/7 emergency coverage. The Housing Coordinators also direct a variety of programs open to all housing site residents such as congregate meal programs, on and off-site social activities, workshops, health clinics and educational programs.

According to Mass Home Care, Governor Healey's FY24 budget recommendation for line item 9110-1604 (**\$6,378,780**) would not support the program's expansion and force EOEA to terminate contracts for these new sites. They are requesting the Legislature to add **\$4,668,480** to line item 9110-1604 for a total of **\$12,604,896**, as well as language requiring the Administration to incorporate funding for the expansion sites in their maintenance budget for FY24.

4.) \$3 million for the SHINE Benefits Counseling Program – Line Item 9110-1455 (Mass Home Care, Massachusetts Councils on Aging)

The Serving the Health Insurance Needs of Everyone (SHINE) program provides free health insurance information, counseling, and assistance to aging residents and their caregivers. SHINE counselors are specially trained and certified to assist older adults and individuals with disabilities to better understand their Medicare and MassHealth benefits, along with any other health insurance options available to them.

For the past four budget cycles, the Legislature allocated \$1 million in line item 9110-1455 to support the Massachusetts SHINE Benefits Counseling Program. Language was also included to ensure these dollars support existing operational costs incurred by the programs who provide this service at the local level (i.e., Councils on Aging, ASAPs).

Mass Home Care (MHC) and Massachusetts Councils on Aging (MCOA) both request for the Legislature to add an additional **\$2 million** for SHINE into line-item 9110-1455 along with the targeted language. MHC is

concerned that there will be a large increase in demand for the SHINE program with MassHealth's redetermination of reviews. Regional SHINE programs will need to recruit and train additional volunteer counselors on matters specific to the loss of MassHealth coverage and the selection of suitable alternate health insurance. As such, this request supports \$1.8 million for SHINE operations and \$1.2m related to needs resulting from the unwinding of the Public Health Emergency.

This service is needed now more than ever with thousands of people reaching retirement age in our country every day. I've referred many constituents to SHINE over the years. They truly are a source of trusted, unbiased assistance on all health insurance matters.

5.) \$200,000 for the LGBTQIA+ Aging Project to Support the Massachusetts Special Legislative Commission on LGBT Aging (Line Item 9110-0100 and 9100-1630)

Section 186 of the FY14 budget established the MA Special Legislative Commission on LGBT Aging, the first and only statewide Commission in the nation tasked with identifying and addressing the needs of LGBT older adults. In 2015, the Commission released a [report](#) outlining a broad range of recommendations to meet the needs of this frequently vulnerable and overlooked population. Since then, the Commission has continued to work on improving policies and services that promote LGBT inclusion so that older adults who identify as LGBT may age with dignity and respect in the Commonwealth. Specifically, the Commission seeks to reduce anti-LGBT discrimination in senior housing, long-term care, and senior centers across the state. They also identify policies that increase socialization opportunities to reduce social isolation, depression, and the behavioral health burden of LGBT older adults.

Prior to FY23, the Commission has operated without funding. All members serve voluntarily and meet quarterly. Over the last few years, the Aging Project lost significant funding sources and is no longer able to provide the level of staffing support required to maintain and expand the critical and growing needs of the Commission and its working groups. As such, the Chairs of the Elder Affairs Committee will be requesting **\$200,000** in the FY24 budget so the Aging Project may continue to support the Commission's important work. **\$50,000** of this request will support ongoing and expanded commission efforts and **\$150,000** for LGBTQ+ provider training and technical assistance for EOEA network, and outreach and engagement of LGBTQ older adults and caregivers.

In FY23, we were successful in securing funding for the Aging Project and thank the Ways and Means Committee for their support.

6.) \$300,000 for Dementia Care Coordination (DCC) Program – Line Item 9110-1630 (Alzheimer's Association, MA/NH)

DCC is an evidenced-based program providing vital support to family caregivers who are caring for a loved one living with Alzheimer's disease or another dementia. Overall, the program provides integrated care coordination for families in partnership with participating providers. Similar caregiver support programs have been shown to reduce hospitalization and unnecessary Emergency Department visits by 50%, and delay admission to nursing homes. Since 2013, health care providers have referred over **10,000** Massachusetts families to DCC. However, the program is currently at maximum capacity, receiving almost **250 referrals** per month, up from **166 referrals** per month pre-COVID.

The Alzheimer's Association, MA/NH requests **\$300,000** for DCC in the FY24 Budget. In FY23, thanks to your leadership, we were able to secure \$100,000 in Line Item (9110-1630). This funding would allow the program to serve **1,000 families** across the Commonwealth.

Massachusetts is on the forefront of Alzheimer's and Dementia policy with passage of our landmark 2018 law ([Chapter 220 of the Acts of 2022](#)) which completely revamped how providers treat and caseworkers serve those

with AD, with special emphasis on early diagnosis. Fulfilling this funding request would send a strong signal to the 130,000 people living with Alzheimer's disease in the Commonwealth that the House continues to support them.

7.) \$3.5m for Geriatric Mental Health line item (9110-1640) to Fund Elder Mental Health Outreach Teams (EMHOTS) – Dignity Alliance, Massachusetts Councils on Aging

As many as 1 in 3 older adults live with a mental health or substance use condition, putting them at higher risks for devastating and costly outcomes, including increased hospitalization and Emergency Department use, increased suicide attempts, and development of preventable health conditions (i.e., diabetes, high blood pressure). Moreover, the pandemic has been linked to higher rates of depression, anxiety, and social isolation across all age groups. Studies have also demonstrated that older adults with untreated behavioral health conditions are three times more likely to be admitted to a nursing home.

EMHOTS work with older adults in their own home to address a broad range of needs associated with behavioral health issues, such as chronic diseases, social isolation, housing insecurity, and financial challenges. Overall, they seek to reduce social isolation through contact that fosters engagement and trust and linkage to community social support. They currently serve over 3,500 individuals and families in 101 communities across the Commonwealth. The most recent reporting date from the EMHOTS shows that 95% of older adults reported they received the help they were looking for and more than 84% reported that their symptoms improved.

Dignity Alliance and MCOA request for **\$3.5 million** for line item 9110-1640, a **\$1 million increase** over Governor Healey's FY24 budget recommendation (**\$2.5 million**). This funding would help the Commonwealth meet the increased demand for services because of the pandemic. In FY22, 12 agencies submitted proposals to create new, or expand existing EMHOT services, a 300% increase in funding requests over previous years. MCOA also claims that there are 5-7 shovel-ready projects ready to go to help meet the increased statewide need for these services.

8.) Increase the Formula Grant to \$14 per elder/year to meet increased needs and fully fund the Service Incentive Grant Program - Line Item 9110-9002 (Massachusetts Councils on Aging)

The Local Aid to municipally based Councils on Aging line item (9110-9002) funds two programs, the Service Incentive Grant Program (SIG) and the Formula Grant Program (FIG). SIG was established to help local COAs build capacity, promote regionalization, and foster innovation. FIG was developed after the 1980 US Census results to fund a per capita allocation to COAs that augments their local budgets. Over the last twenty years, 90% of the funding from 9110-9002 goes to FIG and 10% goes to SIG.

For the last five years, the Legislature set the FIG at \$12 per elder/year and fully funded the SIG. The current Formula Grant of \$12 per elder, combined with the inflationary fiscal challenges, do not address this continued growth of the older adult population that crosses the threshold of our Commonwealth's Senior Centers every day. The Massachusetts Association of Councils on Aging (MCOA) seeks to increase the FIG from \$12 per elder per year to \$14 per elder per year for FY24 at **\$26,300,000** in order to help the Councils meet the increased needs. It is important to note that the Formula Grant is the only standardized funding they receive from the Commonwealth to meet the needs of adults 60 and older, which is a rate lower than the hourly minimum wage.

For FY24, Governor Healey recommended **\$25,789,309** be allocated to this line item, which will not be enough to meet the increased demand for the program.

9.) Rest Home earmarks in State Supplemental Aid and DTA Emergency Aid Line Item 4408-1000 and 4405-2000 – Massachusetts Association of Residential Care Homes (MARCH)

Rest Homes play a vital, yet often overlooked, role in the Massachusetts Health Care Continuum, providing housing and health care options for a population that requires more care than an Assisted Living Residence (ALR), but in a setting that is less restrictive than a nursing facility. There are currently **75 rest homes** licensed by the Department of Public Health (DPH) employing **2,800 health care workers** and serving over **3,000 residents**.

Despite serving a vulnerable population (**90% of residents are eligible for DTA payments**) and saving the Commonwealth between **\$30-40m every year** in avoidable nursing home admissions (3x higher cost of care in nursing home setting), over **60% of rest homes have closed since 1998**. MARCH claims that this is due to inadequate reimbursement rates that have long trailed actual costs. As such, MARCH requests a **\$3,000,000** earmark in line item 4408-1000 and a **\$7,000,000** earmark in line item 4405-2000 that will allow the industry to maintain a high level of care. MARCH intends for this to be a temporary stopgap as the organization pursues a long-term reform of its reimbursement rates.

I would like to thank the House Ways and Means committee for including this funding in their FY23 budget.

10.) \$500,000 for the LeadingAge Long-Term Supports and Services (LTSS) Actuarial Study

One of the biggest challenges facing older adults and their families is the ability to pay for Long-Term Support and Services (LTSS) when needed. Unfortunately, there are a lack of affordable payment options for LTSS, especially for individuals with moderate incomes who do not qualify for Medicaid, cannot afford long-term care insurance and are unable to pay for needed care privately. Only 8 percent of Massachusetts residents age 55+ have private long-term care insurance. Many individuals end up impoverishing themselves by “spending down” their resources in order to become eligible for MassHealth coverage.

Leading Age Massachusetts, a non-profit representing providers of healthcare, housing, and services for seniors, is requesting **\$500,000** in the FY24 budget to conduct an actuarial study on LTSS financing. An actuarial study will use state demographic data to model and predict the costs of different state-based social insurance solutions as well as strategies designed to encourage the growth and affordability of private long-term care insurance options. They believe an actuarial study will be helpful because it will give a common factual basis for exploring alternatives and makes discussions more focused and productive and it will enable legislators to assess the costs and benefits of various policy design options.

I filed a bill this session, H652, An Act establishing a special commission on a statewide long-term care insurance program to explore this exact issue. Most older adults struggle to pay for long-term care, and other states have begun to implement statewide programs for LTSS insurance programs, and I think a study or a commission focusing on this issue would be beneficial.

Leading Age Massachusetts would like guidance on which line item this request should be assigned to. If you could provide any helpful information on that, it would be much appreciated.