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The Home for Aged Women was established in 1886, 130 years ago, by a group of concerned Burlington citizens who recognized that elderly women in their community were living alone with no one to care for them. From its very beginnings as a 'public charitable organization' enacted by the General Assembly of the State of Vermont, The Converse Home has been a non-profit whose mission continues to be to provide older persons with a gracious home with high quality care services. We are proud to be one of the oldest continuous non-profits in the State of Vermont.

As some of you may remember, in the early 2000s and after 80 years at the same location, The Converse Home was in poor shape. It was small, only 26 apartments many of which had shared bathrooms. Larger, newer facilities were opening up in Burlington's suburbs with amenities that Converse Home did not provide. This combined with ongoing operating losses meant we would need to close our doors if a solution was not found.

In 2004, our Board of community volunteers sought solutions and was able to reach an agreement with VHFA to provide an \$8 million loan to expand and improve the home. The funding we received from VHFA as well as the Vermont Housing Conservation Board came with 30 year covenants. These covenants, along with City of Burlington permitting, require that we meet specific affordability standards*. Every year we must demonstrate to VHFA that we are meeting these standards. We are happy to say that we've met or exceeded those standards for the last 10 years.

Our loan was the first of its kind for VHFA and it enabled us to add studio and 1 bedroom apartments, renovate the apartments in the historic part of the home and create a 16 apartment dementia care community. It was at this time that we decided to begin accepting long term care Medicaid. We feel that accepting Medicaid funds is not just consistent with the Home's 130 year mission but it is also the right thing to do.

But accepting Medicaid comes with a price. Annually our Medicaid loss is around \$200,000 and over the last 5 years the loss is over \$1 million dollars. As you know, long term care Medicaid does not come even close to reimbursing our costs. For example, in our dementia care community Medicaid reimbursement is less than half our costs. We are the only level III home in Chittenden County that accepts Medicaid for a dementia care community.

We are proud of our long, not-for-profit history and we hope to continue our mission for many years to come. However, the prospect of an annual property tax bill in excess of \$90,000 is a tremendous burden to our annual budget. It would mean we would have to increase our rates beyond what the market will bear. Benefits and salaries for staff who are already more and more difficult to find, would be reduced. And we would need to reconsider accepting LTC Medicaid in our dementia community and because those residents are nursing home level of care, they would need to go to a skilled nursing facility, costing more to the State.

The proposed bill, while good in its intent, is too narrow in its criteria and would not provide relief to homes like ours and many others throughout our State. The percent of Medicaid residents in a home doesn't necessarily correlate to the dollar loss the home experiences. For example, a home that accepts

residents with Medicaid ACCS which only helps with some room and board or accepts Medicaid in a dementia care community might experience a greater loss than a home that only accepts Medicaid ERC. So each home has to balance the mix and type of Medicaid it accepts not just the number of Medicaid residents.

We would ask that the language in this bill be changed to include all not-for-profit level III residential care or assisted living home that accepts Medicaid funds be exempt from the educational portion of our property tax bill.

Thank you.

*VHFA: 51% of the residents we serve are under the HUD median income levels

VHCB: 21 units less than the median income levels , 7 of those under 50% of the median

City of Burlington: 12 units serve residents with less than 50% of the median income, 1 under 65% and 1 under 75% of the median income