

S.23 Testimony – Increasing the Minimum Wage
Virginia Renfrew, Vermont Association of Adult Day Services
House General, Housing and Military Affairs Committee - April 11, 2019

The Vermont Association of Adult Day Services (VAADS) is an association of 13 certified Adult Day Services programs (ADS) in the State of Vermont. These programs are located in twelve of the thirteen Vermont counties (none in Grand Isle). ADS provide one of the most cost-efficient, patient-centered long-term care in the State. RNs, LPNs and staff provide a wide range of services to meet participants' functional, personal and health care needs. Stimulating, therapeutic activities help them to remain healthy and engaged in their lives.

VAADS supports the intent of S.23. We believe that employees should be paid a fair and livable wage. We are concerned, however, about our financial ability to meet the requirements of S.23. Our current Medicaid reimbursement rate is \$16.40/hour. On average, ADS depend on Medicaid payments for 75% of our revenues. Without an increase in our current Medicaid reimbursement rate commensurate with the minimum wage increase, we will not be able to make ends meet.

The many benefits that ADS provide to the individuals and communities will be lost, such as:

- The option to remain at home, delaying or eliminating institutionalization
- Caregiver ability to remain productively employed
- Rehabilitation, therapy, and socialization that is needed for successful aging
- Caregiver respite, education, and assistance with the burdens of caring for an aging parent or a loved one with a chronic illness or disability
- Care coordination with physicians and home health care before they escalate into more serious conditions.
- Daily exercise, encouragement to stay mentally, socially and physically active, a balanced diet at the center, and education about proper nutrition, cleanliness, disease prevention, safety at home and topics that help them remain independent and healthy.
- Significant savings to the state of Vermont

In order to enable ADS to continue to operate in the state of Vermont, VAADS joins with the VNA in proposing the following amendment:

Section X

On an annual basis, the Department of Vermont Health Access shall adjust the rates paid to providers of Medicaid services at the same rate of growth as the annual increase in the minimum wage required pursuant to this act.

Thank you for your consideration.