



February 8<sup>th</sup>, 2021

## Appropriations Testimony

Good afternoon, I am Kathryn Titus, the Director of Operations for Cathedral Square, a service oriented affordable housing organization that operates two licensed Assisted Living communities. Cathedral Square Assisted Living in downtown Burlington and Memory Care at Allen Brook in Williston. Currently, 83% of our 48 residents rely on Medicaid to cover the cost of their long term care needs. Our residents move in comforted by the fact that should they exhaust their financial resources and have to apply for Medicaid, they will not be asked to leave their home with us.

I greatly appreciate the opportunity to comment on the Governor's Recommended 2022 State Budget.

I respectfully request that your committees consider adding a 2% increase to the Medicaid reimbursement rate, specifically the Assistive Community Care Services (ACCS) program. A rate increase is necessary in order for us to continue to hire and retain high quality staff and provide exceptional care for our residents.

There was a modest increase in 2020. It was the first increase in many years and not enough to close the cost gap. Prior to the COVID-19 pandemic, we struggled to cover our operating costs and maintain appropriate staffing and had to consider the possibility of closing our doors. We simply cannot compete financially with the other LTC communities that don't accept Medicaid and can therefore offer higher pay rates and hefty sign on bonuses. Since the pandemic hit, we have had additional, significant, increases in expenses for PPE, testing, staff overtime, vacancy loss and traveling staff coverage that is often double the cost of our own staffing rates. We do not foresee these expenses decreasing in the future.

Beyond the need for an increase in FY22, having an annual inflationary factor built into Medicaid reimbursement for Housing and Community Based services, including Assisted Living and Residential Care is essential. This would help ensure the sustainability of our network of providers serving the lowest income older adults in our state. We hope you will review and support the new H.153 bill introduced to provide this increase.

The work of our organization and others across the state is critical to providing the high quality care our older Vermonters need and deserve and helps meet the State's goal of having a diverse set of options for Vermonters to age with dignity in their local communities. Our services prevent older Vermonters from having to move to higher level of care and higher cost of nursing facilities.

Thank You!

