



**House Appropriations Committee
Public Hearing
January 19, 2023**

My name is Linda Wichlac. I am the Executive Director of Bennington Project Independence and the President of the Vermont Association of Adult Day Services.

I am here today to request a Budget Adjustment related to Adult Day funding. During the FY 2023 budget discussions, we recognized that we were going to need approximately \$4 million in additional support in order for the existing programs to remain open through FY 2023.

The Legislature appropriated \$1.45 million. Because we knew that that amount would not suffice for the full fiscal year, DAIL agreed to allow us to draw down those funds in the first two quarters. In light of our census, rising costs, and workforce challenges, we will need of \$2.1 million in order for the programs to remain open through June 2023.

- Most programs are still operating at less than 50% capacity
- Most programs are struggling to hire staff, largely in part to our very low Medicaid reimbursement rate (\$18.60/hour), which makes us extremely uncompetitive with other hiring entities
- Costs of just about everything – insurance, food, cleaning supplies, building maintenance, trash and snow removal, etc. – has gone through the roof

As you are aware, DVHA is in the process of a rate setting review, but that recommendation, even if it is favorable and captures our needs, will not be in time to keep us viable through this current fiscal year.

The reality of our financial situation is in part due to Covid, in part due to inflation, and in very large part due to our extremely low Medicaid reimbursement rate. Adult Day services provide Vermonters with a much-needed service – for themselves and their caregivers - and we help the State of Vermont keep health care costs and nursing homes costs down. I ask you to please continue to support us through the Budget Adjustment Act – and to continue to work with us to help stabilize our financial situation through your deliberations this legislative session.

Thank you so much for your time. And thank you for your consideration of our request.