

Good Morning,

My name is Linda Wichlac. I am the Executive Director of Bennington Project Independence and the current President of the Vermont Association of Adult Day Services. First of all, I would like to thank you all for supporting the money in the FY 2023 BAA for Adult Day Services. This money will help to ensure that we can continue to serve Vermonters through this current fiscal year.

In the FY 2024 budget discussions, the House included a 15% increase for our Medicaid reimbursement rate, which would bring our rate to \$21.33 an hour. This amounts to a little over \$1 million.

While we are truly grateful for this increase, we know that the level of additional funding that we needed this fiscal year and last year due to our low reimbursement rate and reduced census will not effectively stabilize Adult Day Programs. Our reimbursement rate needs to be \$25/hour. It is our understanding that this would cost \$2.4 million gross.

We strongly disagreed with the recent rate study – both the process and the results. It was based on a lack of understanding as to the services our programs provide. The consultant tried to put our programs into a template or model that just did not align with the realities of what we offer in Vermont and what the needs are. We tried repeatedly to remediate these misunderstandings - to no avail.

This year, as everyone knows, has brought hugely inflated operating expenses (food, heating, indoor and outdoor maintenance, and supplies) and a limited workforce that demands much higher compensation and benefits. The only way we were able to make ends meet prior to the pandemic was because we were able to pay low wages and the operating costs were not as inflated.

With the reimbursement rate of \$21.33, Adult Day programs will still not be able to hire enough qualified people in order to increase our census to the levels that the State would like to see. The lower census means that not everyone who wants to attend will be able to attend. There are over 70 people on official waitlists, but this number is actually much higher. A lower census also means that we cannot bring in enough revenue to compensate for the low reimbursement rate. It's a catch-22 situation. Many of these people have loved ones that are caring for them and need the respite that Adult Day Services provide to enable them to get back into the workforce, be able to continue to care for their loved ones and have some semblance of a regular life.

In reality there are not enough caregivers to meet the staffing needs of many agencies (Home Health, Nursing Homes or provide the in-home support that our growing older population would like or need. Also we as human beings are inherently social animals. Loneliness and isolation increases the risk of premature death by 14% and has profound mental and physical effects such as we saw during the height of the pandemic. Adult Day Services are uniquely designed to assist with both of these issues.

Adult Day programs have been an incredible bargain for the State. We provide some of the health care services and chronic care management that helps keep people out of emergency rooms, hospitals, and nursing homes. We provide nutritious meals and personal care services. We provide social and therapeutic activities that keep people engaged, happy and independent for as long as possible. We have been able to make this work with a lower reimbursement rate.... But we cannot do that anymore at this low reimbursement rate in this current economic climate.

We are asking for your help and support for our request for a \$25 Medicaid rate. And thank you for this opportunity to speak with you this morning.