

## **VOICES FOR BETTER HEALTH-RHODE ISLAND**

The Senior Agenda Coalition of RI | RI Organizing Project | Economic Progress Institute

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**To the House Finance Committee, March 3, 2022:**

(Submitted by Bernard Beaudreau, Executive Director, Senior Agenda Coalition of RI)

### **Statement in Opposition to Article 12, Section 6 (Perry-Sullivan Law)**

The Perry-Sullivan law was enacted in 2006. Its purpose was to establish an ongoing process to “balance” the total overall spending on Rhode Island’s system of Long-Term Services & Supports (LTSS) for seniors and persons with disabilities. Its goal was to eventually reach a balance of 50% LTSS spending on nursing home care and 50% on home and community care. **In 2006 Rhode Island spent only 10% on home and community care.**

Perry-Sullivan works this way: If there are budget savings from one year’s LTSS spending on nursing home care, it requires that in the following year those dollars should be reprogrammed to increase state spending on LTSS spending on home & community care. (This calculation is made annually by the State Revenue Estimating Conference.) This balancing has moved slowly. **Fourteen years later, in 2020 only 24.4% of funding was spent on home and community care.** The national state average is 45.1% spend on home and community care. Rhode Island ranks 42<sup>nd</sup> on this metric. **In 2022 the Perry-Sullivan calculation found a total of \$40 million should be invested in improving and expanding home and community LTSS in FY2023. This calculation is not in dispute.**

A 2018 Brown University study looking at all RI Medicaid LTSS patients in nursing homes found that 18% were “low care,” thus not needing nursing home level of care. (National average was 12%). According to CMS, the average number of nursing home patients July-September 2021 was 6,269. At 18% of the residents needing only low care, there are potentially 1,100 Rhode Islanders living in nursing homes who could be living in the community with greater support from rebalancing funding resources. To show the impact of this imbalance, if in 2020 RI had diverted 250 more of its LTSS patients to home care instead of nursing home care, it would have saved ***\$11.3 million in the first year.***

**Article 12, section 6 of this budget makes an “end-run” around the Perry-Sullivan law** by adding amendments that prohibit the law from being implemented in FY2023. In effect it repeals the law for FY2023.

We urge you to reject this section because Perry-Sullivan funds are needed now more than ever. There’s a growing shortage of home and community care workers due to COVID and persistently low wages. EOHHS submitted a budget proposal to increase wages for home health aides, independent providers and personal care aides to at least \$15/hour, but the Governor did not adopt that proposal in his budget.

We urge you to let Perry-Sullivan do what it’s designed to do---create a more balanced and robust system of home and community care when it’s needed more than ever.

**(NOTE: The Perry-Sullivan law is at R.I.G.L. 40-8.9-1 thru 40-8.9-9)**