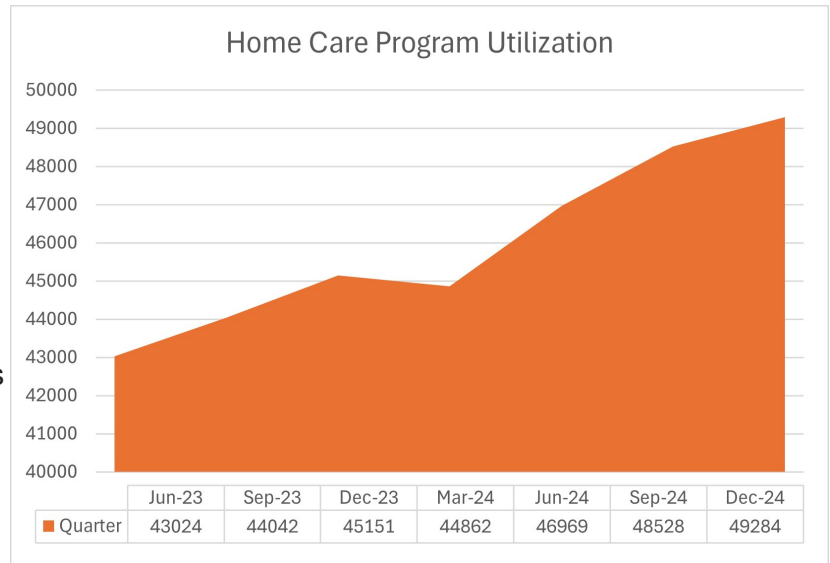


The state Home Care Program is significantly underfunded in the FY25 budget, putting Massachusetts older adults at risk.

How did these deficits occur?

When the FY25 budget was initially drafted, utilization figures from 2023 were used to calculate the necessary program funding for line item 9110-1630 (Elder Home Care Purchased Services) and line item 9110-1633 (Elder Home Care Case Management), but these figures quickly became outdated. As this chart demonstrates, actual utilization has consistently grown, **increasing by 9% between June 2023 and June 2024, with similar year-over-year increases continuing each quarter.**



Why funding must meet demand

Insufficient funding will lead to wait lists for home care services, potentially forcing older adults to rely on ER visits and nursing home stays to meet their care needs. Additionally, the administration, the legislature, and the aging services network worked to increase wages for direct care workers via Chapter 257 increases to address the significant labor shortage. This was one of the great success stories of the past few years, since it enabled providers to build a direct care workforce and meet the growing demand for home care services. Pulling back on this investment now would result in job losses for these direct care workers and make it extremely difficult to rebuild this workforce in the future.

What is the Home Care Program?

The Home Care Program enables older adults age 60 and older, as well as people younger than 60 living with Alzheimer's Disease or a related dementia, to successfully age in place and avoid or delay moving to a nursing home or other long-term care facility. The program combines a functional impairment level (FIL) assessment to determine unmet needs with care planning and case management to address those needs. Services available through the Home Care Program include Homemaking, Personal Care, Home Health Aide, Companion, Home Delivered Meals, Adult Day Health and Supportive Day Programs, Respite Care, Medication assistance, Complex Care Oversight by a nurse, and much more.

Who are Home Care Program Consumers?

- In CY23, 65% of consumers enrolled in the Home Care Program had an average household income of less than \$26,582, with 36% having an income of less than \$19,000¹
- 56% live alone¹
- 80% have been identified as having a high risk of falls¹
- 42% receive MassHealth¹
- Average age = 80¹
- Many are from underserved communities and suffer from health disparities¹



Massachusetts Demographics

- Massachusetts has a rapidly growing older adult population with the first baby boomers now turning 80;
- As far back as 2015, Massachusetts already had 143 older adults for every 100 school-age children² and by 2025, 27% of the Massachusetts population is projected to be age 60 or older³. **These trends will continue over the coming years and decades.**
- Increased longevity: people are living longer and want to remain at home;
- ASAPs are seeing consumers who are frailer and have more complex care needs, including more consumers living with dementia.

The Home Care Program Saves Money

- In CY23, the Home Care program provided case management and in-home support to approximately 65,000 individuals¹.
- Approximately one in three consumers served by the Home Care program is clinically eligible for nursing home care, but is able to remain at home - at a much lower cost - due to the support of this program.
- The 2023 average annual calendar year care plan cost/consumer for the majority of Home Care consumers ranged from \$3,650.94 to \$10,244.46¹. Average costs for consumers enrolled in Choices (up to 24/7 care) are significantly higher but still are less than nursing home placement while providing a much higher quality of life.
- The average annual per capita cost of MassHealth members for long-term nursing home care is approximately \$77,000⁴, with private-pay care costing as much as \$175,200.

In Conclusion

The Home Care Program helps older adults remain at home and prevents or delays more costly nursing home stays, while enhancing quality of life and lowering healthcare costs. It is an upstream intervention which can potentially save MassHealth anywhere from \$22,100 (Choices) to as much as \$73,700 (Home Care Basic / Waiver) per consumer per year when compared to nursing home care. However, without enough funding to meet the needs of ALL eligible Massachusetts older adults, the ASAP network is faced with the creation of wait lists for home care services, potentially putting older adults at risk and creating the need for more ER visits and nursing home stays. It is the Commonwealth's obligation to care for our aging residents. Funding the state Home Care Program at the necessary level is the best way to do that.

¹EOEA Home Care Consumer Profile CY23

²Center for Social and Demographic Research on Aging. (2017). *New England Projections: Residents of New England Age 60+ [Fact Sheet]*. Boston, MA

³Univ. of VA, Weldon Cooper Center for Public Service

⁴Bowlis, J.R., et al., *Assessing Medicaid Payment Rates and Costs of Caring for the Medicaid Population Residing in Nursing Homes (Final Report)*. Washington, DC: Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services. June 3, 2024