

**Public Budget Hearings  
November 27, 2007  
Syracuse, NY**

**Testimony of Sandra H. Martin, President  
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Good afternoon. My name is Sandra Martin and I am the President of Home Aides of Central New York here in Syracuse. Our agency is a licensed, not-for-profit home health care agency that has been providing supportive services to our community's chronically ill elderly residents for more than 40 years. We are the community's largest provider of personal care and home health aide services and currently serve more than 670 of our community's elders in their homes each week, enabling them to remain independent and avoid institutionalization in a nursing home or other long term care facility. Our agency serves Onondaga and the surrounding counties. On behalf of the clients and staff at Home Aides of Central New York, thank you for the opportunity to participate in the public dialogue concerning the 2008 – 2009 State Budget.

During the past year, Governor Spitzer has focused his efforts on a Patient-First Agenda to lower the cost of health care while improving patient outcomes. This policy preference will help move New York's health care system to one that strives to provide high-quality services in the least restrictive setting. At the same time, health care costs, particularly long term care costs, are rising and the demand for these services is growing. Home care is the solution to many of New York's long term care needs. Home care is the cost effective alternative to health care delivered in more costly institutional settings and plays a critical role in the prevention of higher cost care.

I would like to address, in particular, the Medicaid personal care program in New York State. This program has often received criticism for its cost and rapid growth.

Approximately 40 percent of our clients rely on the personal care program to assist them with their activities of daily living at home. When we survey these clients and their families, over 90 percent state that receiving personal care services enables them to remain at home.

The Medicaid personal care program in Onondaga County has been one of the most cost effective programs in New York State and should be examined as you review this critical supportive service to our state's rapidly growing elderly population.

A review of Medicaid claims data from 2002 to 2006 shows the average annual cost of providing personal care services to a resident of Onondaga County was approximately \$8,000 in 2006. This is in sharp contrast to the cost of providing the same service in New York City where the cost is more than three times that amount, or \$26,600 per recipient.

In Onondaga County the number of individuals receiving personal care services has not increased significantly over the past four years, remaining around the 1,000 mark. Although the cost per recipient has increased at less than the cost of inflation (2.5% per year) for those clients served by licensed home care services agencies, such as ours, the overall cost of the program in Onondaga County has increased more than 34 percent over the four-year period. This is due to the shift in the number of recipients receiving services under the consumer-directed program, rather than through the home care agencies licensed by the New York State Department of Health.

As you know, the consumer-directed program is a program where Medicaid recipients can hire their own personal care workers and is not subject to the training and supervision requirements of a licensed home care services agency. Although there is a perception that this unregulated program is a cost saving program, the average cost of an individual receiving personal care services through this program is, in fact, five times the cost of providing personal care services through a licensed home care services agency. In Onondaga County, the average cost of an individual receiving personal care services through the consumer-directed program is \$15,500 per year compared to the average cost of \$3,100 for care provided by licensed agencies. The consumer-directed program now consumes more than 75% of the Medicaid personal care program dollars in our community, yet serves only 38% of those eligible for the program. It is this significant shift in the provision of services that has increased the cost of the personal care program in our community.

We would urge the Governor to review the underlying causes of the growth in the cost of the personal care program, paying particular attention to the cost of care in New York City and in the consumer-directed program, before drawing any conclusions about the program's cost effectiveness. It is essential for the 670 clients we serve each week that they continue to have access to the personal care services they need to remain independent at home.

Again, I would like to thank you for the opportunity to speak to you today.