



TESTIMONY OF DIGNITY ALLIANCE
MASSACHUSETTS TO THE SENATE AND HOUSE
COMMITTEES ON WAYS AND MEANS
REGARDING HOUSE 2 – FY '25 STATE BUDGET
March 11, 2024

Dignity Alliance Massachusetts is a statewide, non-profit, all-volunteer coalition advocating for older adults, people with disabilities, and their caregivers. We are pleased to offer testimony today on the Health and Human Services and Elder Affairs related components of the FY '25 State Budget (House 2).

Dignity Alliance respectfully urges the Legislature to build a state budget for Fiscal Year '25 that includes provisions for a more Age -Friendly and Able-Friendly Commonwealth – a budget that supports older adults, people with disabilities, and their caregivers.

Our top three consensus priorities for such a budget include:

A. Addressing the Impact of Private Equity and Real Estate Investment Trust on the Quality and Cost of Nursing Home care.

Dignity Alliance is deeply concerned about the impact of for-profit ownership of nursing homes, and indeed many other aspects of health care, by private equity firms and real estate investment trusts. While each currently occupy about nine (9) percent of nursing home ownership, those business models are the fast-growing aspects of long-term care ownership

More than sixty (60) studies of the impact on quality and cost of health care when these business models acquire ownership or investment interest in health care facilities is an increase in costs, shrinking of staff, especially nursing, increase in infections, and harm to patients or residents. Massachusetts could ensure better care for residents in nursing homes and those who receive home care and assistance to maintain themselves in the community rather than in more expensive nursing homes.¹

Dignity Alliance recommends the following steps to begin improve oversight of these ownership and investment models.

A1. Direct through the budget, the Massachusetts Health Policy Commission to study the impact of private equity and real estate investment trust on each element of health care – acute care, sub-acute care, long-term care, hospice, physician practices, etc.

A2. Massachusetts should not allow access to state employee and teachers' pension fund investments for private equity firms. Dignity Alliance proposes budget language to direct the Treasurer through her oversight of pension funds to identify state investments in business that may have an ownership or investment interest in long-term care and includes an outside section of the budget to prohibit such investments much as we have previously banned investment in the tobacco industry. Both tobacco products and private equity/REIT investment in health care are harmful to the health of the people of Massachusetts, just as the Commonwealth currently forbids investment in tobacco companies.

B. Protection of Our Most Vulnerable Older Adults and People with Disabilities

Through a variety of programs, the Commonwealth seeks to protect some of our most vulnerable citizens.

Dignity Alliance recommends to following steps to improve upon those programs.

¹ [How Patients Fare When Private Equity Funds Acquire Nursing Homes | NBER](#)

B1. Strengthen oversight of long-term care by directing the Inspector General, through the budget, to monitor and make recommendations of nursing home inspections and response to nursing home resident complaints.

B2. Increase the Personal Needs Allowance (PNA) which allows residents to retain a meager \$72.80 per month of their Social Security check to which they contributed during their earning years, since that amount has not been increased since 2007 – 15 years ago. If that amount had been indexed to inflation, it would have increased to almost \$107 dollars. Dignity Alliance recommends that these “poverty-level” nursing home residents be allowed to keep \$160/month of their own money to cover the increase cost of personal items not provided by the nursing home.

B3. Retain the nursing home bed hold, long-supported by the Legislature – to permit nursing home residents to return to their same room and bed when they need to leave the nursing home for hospital stays or visits with family,

B4. Increase nursing home inspections and decrease the above national average use of anti-psychotic drugs. Massachusetts nursing home surveyors (inspectors) have the highest number of homes to inspect in New England and more frequent inspections could improve quality of care and resident safety. Massachusetts has one of the highest use of drugs on nursing home residents, primarily to keep residents quiet especially when nursing homes are understaffed in violation of state regulations. Dignity Alliance applauds legislators for establishing a system for tracking opioid drugs and support a similar process for tracking antipsychotic meds along with more effective regulation of the legislatively mandated requirement for written, informed consent.

B5. Improve efforts to prevent suicides among older adults. - Suicides are a highly significant, yet largely preventable public health issue. The Massachusetts Department of Public Health’s (DPH) Suicide Prevention Program works in collaboration with multiple national, state, and local partners to reduce them. Suicide is a leading cause of mortality in the United States, with an age-adjusted rate of 14.1 deaths per 100,000 population in 2021 (1). Older adults tend to have higher rates of suicide, although they

represent a low percentage of the total number of suicides (2). Factors that specifically affect older adults can include declines in physical and cognitive functioning, changes in mental health, and other factors often associated with getting older, like bereavement, loneliness, and lack of social connectedness

C. Improve services for older adults and people with disabilities living in the community

C1. Dignity Alliance recommends that funds to provide of personal care attendants to help people remain at home rather than be forced to reside in more expensive nursing home institutional settings be maintained at least as high as the current fiscal year.

C2. Dignity also recommends that Elder Mental Health Outreach programs be expanded to serve the entire Commonwealth. This budget has not provided sufficient funding for older adult services at a reasonable level. The line item for EMHOTS (9110-1640) is level funded for this fiscal year and is recommended for the next fiscal year. That is, in effect, a decrease for those services, and there is crucial need to expand to the entire state. Other services for older adults are also poorly funded.

Independent Living Centers need to receive an additional \$2 million dollars that will clearly be offset by savings that occur by keeping nursing home eligible people in their homes and communities.

C3. Among other programs that help our citizens remain in their homes and communities are programs such as the Alternative Housing Voucher Program (AHVP) and Supportive Housing services, and these need to be maintained at least at current levels, including prior appropriations.

D4. Dignity Alliance supports an increase for grants to Councils on Aging from the current \$14 per older adult to \$15 per older adults. This will require an increase of **\$1,710,162** above the Governor's House 2 recommendation.

D5. Finally, but certainly not a minor concern, programs and services for Personal Care Attendants, appear to have been drastically reduced that will mean some who are receiving services will lose assistance, and a waiting list for service can be expected to grow. Without PCA's many of our fellow

citizens will be forced to give up their hard-won independence and seek admission to understaffed, overworked, nursing home staff at a higher cost to the taxpayers than PCA services.

We have attached our specific recommended amendments for line items to accomplish the objectives for which we have provided testimony today to assist the Ways and Means Committees and their staff in your mark up of the FY ;25 Budget.

Thank you for the opportunity to provide testimony in support of these essential improvements to the Governor's recommendations.

Paul Lanzikos,
Dignity Alliance Coordinator
Former Secretary of Elder Affairs
(978) 210 – 1331

Richard T. Moore,
Dignity Alliance Legislative Chair
Former Senate President Pro Tem
(617) 413 – 7734

Proposed Improvements to Governor’s FY ’25 State Budget With Dignity Alliance Recommendations to better support the needs of Older Adults and People with Disabilities

OFFICE OF THE GOVERNOR

OFFICE OF THE CLIMATE CHIEF

0411-1020 For the operation of the office of the climate chief; **PROVIDED, FURTHER THAN THE OFFICE SHALL CONDUCT AN INVESTIGATION AND STUDY OF THE IMPACT OF EXTREME HEAT ON OLDER ADULTS AND PEOPLE WITH DISABILITIES**

500,000

EXPLANATION – Research has demonstrated that older adults are more vulnerable to extreme heat than younger people as their bodies don’t cool down as efficiently. Heat stress can worsen underlying conditions like heart, lung, and kidney disease, and extreme heat can trigger delirium. Poor air quality makes it harder to breathe, especially among people who already have breathing difficulties.² Dignity Alliance believes that this new office should focus on issues that will directly influence public policy that impacts residents of the Commonwealth. Since the population of older adults in Massachusetts is expected to reach 28% by 2030, it is important to understand this climate issue at this stage.

Population³	2020	2025	2030	2035
60+	1,721,462	1,925,417	2,049,347	2,098,125

OFFICE OF THE TREASURER AND RECEIVER GENERAL

0610-0000 For the operation of the office of the treasurer and receiver-general, **provided, however that the office shall conduct a review of state and teacher’s pension funds to determine if any funds are invested in accounts of private equity firms and real estate investment trusts (REITs) that hold any ownership interests in health care facilities or operations in the Commonwealth.**

12,311,235

EXPLANATION – Massachusetts taxpayers should know whether its funds are being invested in firms that adversely impact on health care cost and quality in the

² <https://www.weforum.org/agenda/2023/07/older-adults-more-susceptible-heat-illnesses/>

³ <https://mcoaonline.com/2023/01/25/mcoa-submits-fy24-budget-request-to-governor-healey/>

Commonwealth. Researchers at Columbia University's Mailman School of Public Health performing a global search, found 55 previous academic research studies that investigated private equity in health care and performed a systematic review across four dimensions: health care quality, cost to payers and patients, cost to health care operators and health outcomes. They found that in every studied health care setting, private equity acquisitions have increased in prevalence since 2000. Private equity investment was most closely associated with increases in costs for payers and patients, in some cases, as high as 32 percent. Private equity ownership was also associated with mixed to harmful effects on healthcare quality, while the impact on health outcomes and operator costs was inconclusive.

Proponents of private equity have argued the cash infusions from financial firms provide direct downstream benefits for patients. However, this hypothesis was not supported by the results of the team's review. The authors did not identify any consistently beneficial impacts of private equity ownership.⁴

OFFICE OF THE INSPECTOR GENERAL

0910-0220 For the operation of the bureau of program integrity established in section 16V of chapter 6A of the general laws; **PROVIDED, FURTHER THAT THE BUREAU SHALL INCREASE OVERSIGHT OF THE ROLE OF THE DEPARTMENT OF PUBLIC HEALTH IN THE INSPECTION OF NURSING HOMES AND RESPONSE TO NURSING HOME RESIDENT COMPLAINTS.**

EXPLANATION – Dignity Alliance is concerned with the failure of the Department of Public Health to conduct annual inspections on a timely basis and to respond to nursing home resident complaints within the time allowed by regulation in view of the deficiency last reported by Auditor Suzanne Bump in 2019.⁵ The Inspector General seems to be the most appropriate agency to conduct an independent review of DPH performance.

Massachusetts surveyors have the 14th highest caseloads in the country, according to a new report by the U.S. Senate Special Committee on Aging⁶. That's the highest rate in New England. And it's far below states like California, which has 654 surveyors for its roughly 114,000 nursing home beds. Surveyors have too many homes to cover. A plan is needed to determine the optimum number of homes to be inspected by each surveyor and how to staff up to meet that number.

HEALTH POLICY COMMISSION

1450-1200 For the operation of the health policy commission, **provided, however, the commission shall investigate the influence of private equity firms and**

⁴ <https://www.publichealth.columbia.edu/news/private-equity-investments-health-care-may-increase-costs-degrade-quality#>

⁵ <https://www.mass.gov/audit/audit-of-the-department-of-public-health-dph>

⁶ 5/19/23 Senate Committee on Aging: [UNINSPECTED & NEGLECTED - FINAL REPORT.pdf \(senate.gov\)](#)

REITs as a factor in rising health costs, including, but not limited to acute care, long-term care, and home care.

12,028,078

EXPLANATION: In order for Massachusetts policy makers to understand the impact of certain ownership and investment models on health care in the Commonwealth, the commission should develop an understanding of these financing models on rising health care costs in conjunction with the annual cost trends hearings.

Of for-profit ownership of nursing homes, in 2022, about 5% are owned by private equity firms and 9% by REITs, and 2% PE/REIT invested.⁷ Recent research has found that resident outcomes are **significantly worse** at private equity-owned nursing homes, and in the two to three years after REITs invest in nursing homes, registered nurse staffing levels decline by as much as 6%. Private equity ownership of nursing homes may also lead to an uptick in Medicare costs.⁸

The National Bureau of Economic Research reported that “purchases of nursing homes by private equity firms are associated with higher patient mortality rates, fewer caregivers, higher management fees, and a decline in patient mobility.⁹

HOME CARE CASE MANAGEMENT AND ADMIN

9110-1633 For the operation of the elder home care case management program, including contracts with aging service access points or other qualified entities for home care case management services and the administration of the home care organizations funded through item 9110-1630; provided, that the contracts shall include the costs of administrative personnel, home care case managers, travel, rent, and other costs deemed appropriate by the department of elder affairs; and provided further, that the secretary of elder affairs may transfer not more than 3 per cent of the funds appropriated in this item to line item 9110-1630.

100,153,249

EXPLANATION: It appears that the State Home Care program (primarily in 9110-1630 and 9110-1633) is significantly underfunded in H.2 to the extent that it will

⁷ <https://aspe.hhs.gov/sites/default/files/documents/29b280bc8ec7632e5742ab466f5429d2/ownership-structures-nh-facility-traits.pdf>

⁸ <https://www.hhs.gov/about/news/2023/11/15/biden-harris-administration-continues-unprecedented-efforts-increase-transparency-nursing-home-ownership.html>

⁹ [How Patients Fare When Private Equity Funds Acquire Nursing Homes | NBER, 4/1/21](#)

require waiting lists, and may force some clients to consider more expensive institutional care. The amount needs to be increased.

EOHHS AND MEDICAID ADMINISTRATION

4000-0300 For the operation of the executive office of health and human services; provided, that the executive office shall provide technical and administrative assistance to agencies under the purview of the secretariat receiving federal funds; provided further, that the executive office shall continue to develop and implement the common client identifier; provided further, that funds appropriated in this item shall be expended for administrative and contracted services related to the implementation and operation of programs under chapter 118E of the General Laws; provided further, that in consultation with the center for health information and analysis, no rate increase shall be provided to existing Medicaid provider rates without taking all measures possible under Title XIX of the Social Security Act, as codified at 42 U.S.C. chapter 7, subchapter XIX to ensure that rates of payment to providers shall not exceed the rates that are necessary to meet only those costs which shall be incurred by efficiently and economically operated providers in order to provide services of adequate quality; provided further, that no expenditures, whether made by the executive office or another commonwealth entity, shall be made that are not federally reimbursable, including those related to Titles XIX or XXI of the Social Security Act, as codified at 42 U.S.C. chapter 7, subchapters XIX or XXI, or the MassHealth demonstration waiver approved under section 1115(a) of the Social Security Act, as codified at 42 U.S.C. section 1315(a), except: (i) as required for the administration of the executive office; (ii) as required for the equivalent of MassHealth Standard benefits for children under 21 years of age who are in the care or custody of the department of youth services or the department of children and families; (iii) as required for dental benefits provided to clients of the department of developmental services who are 21 years of age or older; (iv) as required for payments related to services delivered in institutions for mental disease for which federal financial participation is not otherwise available; (v) as required for cost-containment efforts, the purposes and amounts of which shall be submitted to the executive office for administration and finance and the house and senate committees on ways and means not less than 30 days before making these expenditures; or (vi) otherwise as explicitly authorized with the prior written approval of the secretary of administration and finance; provided further, that the executive office of health and human services may continue to recover provider overpayments made in the current and prior fiscal years through the Medicaid management information system and these recoveries shall be considered current fiscal year expenditure refunds; provided further, that the executive office shall make a supplemental quality incentive payment of not less than \$3,000,000 to Franciscan Children's Hospital, above base rates, to compensate for high-complexity and mental health pediatric care if said hospital meets specific quality targets established by the executive office of health and human services; provided further, that the executive office may collect directly from a liable third party any amounts paid to contracted providers under said chapter 118E for which the executive office later discovers

another third party is liable if no other course of recoupment is possible; provided further, that no funds shall be expended for the purpose of funding interpretive services directly or indirectly related to a settlement or resolution agreement with the office of civil rights or any other office, group or entity; provided further, that interpretive services currently provided shall not give rise to enforceable legal rights for any party or to an enforceable entitlement to interpretive services; provided further, that notwithstanding any general or special law to the contrary, the commissioner of mental health shall approve any prior authorization or other restriction on medication used to treat mental illness under written policies, procedures and regulations of the department of mental health; provided further, that a total of \$40,000,000 may be expended from items 4000-0700 and 4000-1426 during the fiscal year 2025 accounts payable period to pay for services delivered during fiscal year 2025; provided further, that the secretary of health and human services, with the written approval of the secretary of administration and finance, may authorize transfers of surplus among items 4000-0320, 4000-0430, 4000- 0500, 4000-0601, 4000-0641, 4000-0700, 4000-0875, 4000-0880, 4000-0885, 4000-0940, 4000-0950, 4000-0990, 4000-1400, 4000-1420 and 4000-1426 for the purpose of reducing any deficiency in these items; provided further, that any such transfer shall be made not later than September 30, 2025; and provided further, that any projected aggregate deficiency among these items shall be reported to the house and senate committees on ways and means not less than 90 days before the projected exhaustion of total funding; **and provided, further that programs, contracts, services and funding in FY '24 to support the Personal Care Assistance program shall not be reduced in FY '25.**

167,914,925

EXPLANATION:

MASSHEALTH SENIOR CARE

4,580,139,945

4000-0601 For health care services provided to MassHealth members who are seniors including those provided through the Medicare Savings Program, and for the operation of the MassHealth senior care options program under section 9D of chapter 118E of the General Laws; provided, that funds may be expended from this item for health care services provided to recipients in prior fiscal years; provided further, that notwithstanding any general or special law to the contrary, for the purposes of an individual's eligibility for the Senior Care Options program, an individual is deemed to reach the age of 65 on the first day of the month in which his or her 65th birthday occurs;

Increase in Personal Needs Allowance

provided further, that funds shall be expended from this item to maintain a personal needs allowance of \$160.00 per month for individuals residing in nursing and rest homes who are eligible for MassHealth, emergency aid to the elderly, the disabled and children program or supplemental security income; provided further that said personal needs allowance shall be

adjusted annually to keep pace with inflation provided further, that notwithstanding any general or special law to the contrary, for any nursing home facility or non-acute chronic disease hospital that provides kosher food to its residents, the executive office of health and human services, in consultation with the center for health information and analysis and in recognition of the special innovative program status granted by the executive office of health and human services, shall continue to make the standard payment rates to reflect the high dietary costs incurred in providing kosher food;

EXPLANATION - The **Personal Needs Allowance (PNA)** is the amount of monthly income a Medicaid-funded nursing home resident can keep of their personal income. The PNA is intended to cover the nursing home resident's personal expenses, which are not covered by Medicaid. This may include, but is not limited to haircuts, vitamins, clothing, magazines and vending machine snacks. The federally mandated PNA was set at \$25/month in 1974, and it was increased to \$30/month in 1988¹⁰. Each state, however, can allow for a higher Personal Needs Allowance, up to a maximum of \$200 / month.

Massachusetts last updated the Personal Needs Allowance in 2007, when it was set at \$72.80. This rate is also the same that residents received 30+ years ago. During that timeframe, the PNA was reduced to \$60/month for well over a decade. It was only as a result of significant advocacy that in FY 2008, the PNA was finally reinstated to \$72.80/month.

The Personal Needs Allowance of \$72.80 would need to be nearly \$163 today to purchase the same amount of goods and services, according to the CPI Inflation Calculator.¹¹

The number of nursing home residents who are SSI/SSP (State Supplement Program) recipients and receive a portion of their personal needs allowance from DTA is 3,113.

Most nursing homes do not provide: services like television and telephone; personal comfort items, including candy and tobacco products; cosmetic products and services beyond those included in basic service; personal clothing; personal reading materials; flowers or plants; and social events beyond what is offered by the facility. These items and services will usually need to be provided by the resident or the resident's family.¹²

Nursing Home Bed Hold

4000-0601 (continued) provided further, that MassHealth shall reimburse nursing home facilities for up to 20 medical leave-of-absence days and shall reimburse the facilities for up to 10 non-medical leave-of-absence days; provided further, that medical leave-of-absence days shall include an observation stay in a hospital in excess of 24 hours; provided further, that no nursing home shall reassign a patient's bed during a leave of absence

¹⁰ <https://www.medicaidplanningassistance.org/personal-needs-allowance/>

¹¹ [Inflation Calculator | Find US Dollar's Value From 1913-2024 \(usinflationcalculator.com\)](https://www.usinflationcalculator.com/)

¹² <https://www.ncoa.org/adviser/local-care/nursing-homes>

that is eligible for reimbursement under this item; provided further, that not later than January 16, 2025, MassHealth shall submit a report to the house and senate committees on ways and means detailing, for fiscal year 2024, the: (a) number of nursing facility clients on a leave of absence, delineated by the nursing facility, medical leave-of-absence days and medical leave-of-absence days that exceeded 10 days per hospital stay, nonmedical leave-of-absence days and the total number of days on leave of absence unduplicated member count; (b) monthly licensed bed capacity level per nursing home and the monthly total number of empty beds per nursing facility, total number of all nursing home residents and total MassHealth nursing home residents; (c) each separate MassHealth payment rate and the average payment amount rate per nursing facility resident category; (d) actual number of nursing home residents for each payment rate in clause (c); and (e) aggregate payment amount per nursing facility by month; and provided further, that the information in the report shall be delineated by nursing facility, including grand totals where appropriate; provided further, that the secretary of health and human services shall report by January 29, 2025 to the house and senate committees on ways and means on the implementation of the Medicare Savings Program (MSP) expanded program eligibility for seniors that was effective on or after January 1, 2020; provided further, that said report shall include: (i) the number of members who are seniors whose household incomes, as determined by the executive office, exceed 135 per cent of the federal poverty level that are enrolled in Medicare Savings Programs during each month of the prior fiscal year; (ii) total enrollment in the Qualified Medicare Beneficiary (QMB) program, Specified Low Income Medicare Beneficiary (SLMB) Program and Qualifying Individual (QI) Program; ¹³(iii) total annual spending on Medicare premiums and cost-sharing for such members; and (iv) total annual transfers from the prescription advantage program in line item 9110-1455 and Health Safety Net Trust Fund to fund the MSP expanded program eligibility; and provided further, that nursing facility rates effective October 1, 2024 under section 13D of chapter 118E of the General Laws may be developed using the costs of calendar year 2019, or any subsequent year that the secretary of health and human services may select in the secretary's discretion.

EXPLANATION: Bed Hold Language has been routinely included in the budget by the Legislature for many years. It should be past time for the Governor to lead in protecting older adults in nursing homes by including this language in the budget as initially submitted.^{14/15}

MASSHEALTH NURSING HOME SUPPLEMENTAL RATES

¹³ What is the source of "...4,580,139,945 enrollment in the Qualified Medicare Beneficiary (QMB) program, Specified Low Income Medicare Beneficiary (SLMB) Program and Qualifying Individual (QI) Program..."

¹⁴ [Medicaid and Medicare Leave of Absence Rules - AgingCare.com](https://www.agingcare.com/Medicare-and-Medicaid-Leave-of-Absence-Rules-101.htm)

¹⁵ [What Happens if You Leave a Nursing Home AMA? | Cake Blog \(joincake.com\)](https://www.joincake.com/what-happens-if-you-leave-a-nursing-home-ama/)

4000-0641 For nursing facility Medicaid rates; provided, that in fiscal year 2025 the executive office of health and human services, in consultation with the center for health information and analysis, shall establish rates that cumulatively total \$342,100,000 more than the annual payment rates established under the rates in effect as of June 30, 2002; **provided further that only facilities that have maintained direct care staffing ratios at or above the state regulation for hours per resident day as reported in the Direct Care Cost Quotient shall be eligible for such reimbursement;** and provided further, that the payments made under this item shall be allocated in an amount sufficient to implement section 622 of chapter 151 of the acts of 1996

582,100,000

***EXPLANATION:** 105 CMR 150.007 requires minimum direct care staff. Care by any lower ratio, which is already below the level recommended in research reports, is deemed unsafe care. State law and regulation 101 CMR 206.00: Standard Payments to Nursing Facilities requires that at least 75% of nursing home revenues be devoted to direct care staff. Only facilities in compliance with these regulations deserve to receive the full reimbursements provided in the budget. Anything less than full compliance should be pro-rated. Furthermore, 105 CMR 150.007 (b)(2)(d) states, “The facility **must provide adequate nursing care to meet the needs of each resident, which may necessitate staffing that exceeds the minimum required PPD.**”^{16/17} Isn’t it time to ensure that both nursing home residents get quality care AND taxpayers get their money’s worth for payments to nursing homes?*

***Fiscal Note:** The Governor’s recommended rates total of \$342,100,000 in FY ’25, which is lower than the recommended amount in FY ’24 of \$470,100,000. Do we know why?*

DIVISION OF HEALTH CARE QUALITY AND IMPROVEMENT

4510-0710 For the operation of the division of health care quality and improvement; **provided, however, that the division shall develop a three-year plan to reduce the number of nursing homes assigned to each surveyor such that the case load of nursing homes to be inspected by each surveyor**

(1) provided, however, that the division shall semiannually provide a report on the number of nursing home inspections completed including any violations and number of resident complaints filed, including those resolved to the joint legislative committee on elder affairs and the house and senate committees on ways and means;

(2) Provided, further that the division shall investigate inappropriate use of psychotropic drugs, including antipsychotics, antidepressants, antianxiety

¹⁶ [HHS Takes Actions to Promote Safety and Quality in Nursing Homes | CMS](#)

¹⁷ [HHS Takes Actions to Promote Safety and Quality in Nursing Homes | CMS](#)

drugs, and hypnotics in nursing homes, and also investigate schizophrenia diagnoses, which would allow the use of antipsychotics with impunity...

18,414,955

EXPLANATION-1. nursing home inspections –

Number and Percent of Nursing Homes Without a Standard Survey for at Least 16 Months (February 1, 2020, through May 31, 2021) by State – Massachusetts had 85% of nursing homes in this category.¹⁸

EXPLANTION – 2. inappropriate use of antipsychotic drugs¹⁹ -

Antipsychotic drug use in MA nursing homes: Q3'22²⁰: 24.38% MA average, or 8,152 MA nursing home residents. MA ranked 6th highest in the US for the administration of antipsychotics to nursing home residents. 142 of 333 reporting were above state average, 18 more than double state average.

SUICIDE PREVENTION AND INTERVENTION PROGRAM

4513-1026 For the provision of statewide and community-based suicide prevention, intervention, post-intervention and surveillance activities; **provided, further that funds shall be expended for a program to address older adult suicide behavior and attempts in cooperation with the geriatric mental health services program within the department of elder affairs; and provided further that funds shall be expended to promote awareness of the 988 Suicide and Crisis Lifeline;**

14,191,37

EXPLANATION - Suicides are a highly significant, yet largely preventable public health issue. The Massachusetts Department of Public Health's (DPH) Suicide Prevention Program works in collaboration with multiple national, state, and local partners to reduce them. Suicide is a leading cause of mortality in the United States, with an age-adjusted rate of 14.1 deaths per 100,000 population in 2021 (1). Older adults tend to have higher rates of suicide, although they represent a low percentage of the total number of suicides (2). Factors that specifically affect older adults can include declines in physical and

¹⁸ <https://oig.hhs.gov/oei/reports/OEI-01-20-00431.pdf>

¹⁹ [Antipsychotic Drugs in Nursing Homes: Misuse and Dangers | U.S. News \(usnews.com\)](https://www.usnews.com/story/health/antipsychotic-drugs-in-nursing-homes-misuse-and-dangers)

²⁰ MA Q3, '22 data included in this website: <https://nursinghome411.org/data/ap-drugs/>

cognitive functioning, changes in mental health, and other factors often associated with getting older, like bereavement, loneliness, and lack of social connectedness.²¹

Massachusetts Rehabilitation Commission

INDEPENDENT LIVING CENTERS

4120-0200 For independent living centers 10,000,000

Fiscal Note: H2 recommends \$8 million.

EXPLANATION: The ten Independent Living Centers (ILCs) that serve Massachusetts are advocating for a funding increase to Line Item 4120-0200 in the FY25 budget to \$10 Million. This funding increase is imperative to ensure we can maintain our services, hire, and retain staff, and ensure the individuals we serve can remain living independently in the community.

Independent Living Centers are funded in a separate line item with pass through funds, and not through rate setting. Because of this they are always overlooked when it comes to increased funding.

Please consider these numbers:²²

- **23% funding increase Competitive Integrated Employment Services (CIES) and Acquired Brain Injury (ABI) Venders have received in FY 24 through Chapter 257**
- **15.85% average proposed increase for CIES Venders in FY 25 budget**
- **1 – Number of line-item funding increases ILCs have received since 2016.**
- **31,585 – Number of individuals living with disabilities ILCs worked with in F/Y 2023**
- **23.74% – Percentage of total inflation since 2016.**
- **15%-25% - Percentage ILC wages are below like positions in other agencies.**
- **18% - Percentage of open positions.**
- **10% + - Percentage ILC health insurance premiums increase annually.**
- **47 – Number of bilingual staff employed at the ILCs.**
- **24% - Percentage of ILC staff who maintain a second job to make ends meet.**
- **40% - Average turnover rate for ILC staff.**
- **50% + - Number of staff with a disability.**
- **14 – Number of counties served by the ten ILCs. (This is every county in the state).**

²¹ [NCHS Data Brief, Number 483, November 2023 \(cdc.gov\)](https://www.cdc.gov/nchs/data/brf/briefs/483.pdf)

²² <https://www.disabilityrc.org/advocacy/state-budget-priorities#:~:text=Massachusetts%20ILCs%20need%20more%20state%20funding%20to%20ensure,Education%20support%20services%20Housing%20application%20and%20search%20assistance>

Facts about ILCs²³

- Massachusetts ILCs need more state funding to ensure we can continue to meet increasing demands for services. Some of our services include:
 - Nursing Facility Transition
 - Peer Counselling
 - Employment support services
 - Outreach to impoverished, unserved and underserved people.
 - Education support services
 - Housing application and search assistance
 - Youth Services
 - Advocacy Services
 - ADA Assessments
- ILCs are a requirement of the Rehabilitation Act of 1973; there are 10 ILCs in MA.
- ILCs are consumer-directed, consumer-controlled, cross-disability non-profit agencies and serve tens of thousands of individuals annually. We serve individuals of all cultures, races, across all disabilities, ages, sexual orientation, and gender identification.
- ILCs are critical in keeping individuals with disabilities independent in the community and out of costly institutional settings.
- ILCs support people with disabilities in going back to work and being productive in their communities.

Historically the Independent Living Centers have been underfunded in comparison to agencies who do similar work. Over 50% of our staff are individuals living with a disability and our ability to pay them a living wage is undermined by our low rate of funding. The ILCs receive minimal if any funding through Chapter 257 funds so we are not able to compete with agencies that do benefit from these funds for staff wages. We urgently request this funding increase, which is long overdue, in order to continue to not only hire and retain staff to maintain our services but grow to meet ever-increasing demand for our services.

An amendment will be needed to increase the line item from the Governor's recommended \$8 million (level funding) to \$10 million.

PROTECTIVE SERVICES

²³ Ibid.

9110-1636 For the elder protective services program, including, but not limited to, protective services case management, guardianship services, **supportive decision-making**, the statewide elder abuse hotline, and money management services
.....47,886,212

EXPLANATION: The amendment would add “supportive decision-making” to the range of programs supported by this line item. Supported decision making (SDM) is a tool that allows people with disabilities and older adults with dementia to retain their decision-making capacity by choosing supporters to help them make choices. A person using SDM selects trusted advisors, such as friends, family members, or professionals, to serve as supporters. The supporters agree to help the person with a disability understand, consider, and communicate decisions, giving the person with a disability the tools to make her own, informed, decisions.

SDM will look different for everyone. It means finding tools and supports to help a person with a disability understand, make, and communicate her own choices. Examples of these tools might be: • plain language materials or information in visual or audio form • extra time to discuss choices • creating lists of pros and cons • role-playing activities to help the person understand choices • bringing a supporter into important appointments to take notes and help the person remember and discuss her options • opening a joint bank account to manage financial decisions together Once Supported Decision-Making is formally recognized (as it is already in Texas), then a person with a disability will be able to sign a formal document with his supporters in which they all agree to undertake SDM. This document would help doctors, bankers, lawyers, and other third parties to feel confident in accepting the decision of the person with a disability without fearing lawsuits or malpractice claims. A durable power of attorney identifies the person who will be the substitute decision-maker if a person becomes incapacitated. It is a complex document that may require a high level of understanding to execute validly. An SDM agreement identifies the people who will support the person in making her own decisions. It goes into effect right now. It is not a contract, but an authorization, and is much easier to understand and execute validly.²⁴

GERIATRIC MENTAL HEALTH SERVICES PROGRAM

Elder Mental Health Outreach Teams (EMHOTS)

9110-1640 For the geriatric behavioral health program, including outreach, counseling, resource management, and system navigation for community-dwelling older people with behavioral health needs; **provided however, that the program shall be expanded to cover all regions of the Commonwealth.**

²⁴ https://www.aclu.org/sites/default/files/field_document/faq_about_supported_decision_making.pdf

3,509,293

EXPLANATION – The Governor’s H2 for FY ’25 provides 2,508,293. Currently, \$2.5 million was appropriated in FY’ 24, the same amount as in the previous budget. Dignity Alliance recommends this be increased by at least \$1 million.

Background:

- According to MA Healthy Aging data, 1 in 3 older adults are diagnosed with a behavioral health condition.
- Older adults are the **least likely** of any age group to receive treatment due to barriers including: ageism/ableism, cost of co-pays, social isolation, difficulty getting to appointments/accessing telehealth.
- Untreated behavioral health conditions are associated with high health costs including high rates of hospitalization/ED use, nursing home admissions, and preventable health concerns.

Recommendation:

- Add \$1 million to the Geriatric Mental Health Line item over the Governor’s FY25 H2 Budget to expand access to Elder Mental Health Outreach Services (EMHOTS) across the Commonwealth.

Proven Track Record:

- EMHOTS overcome treatment barriers by working with older adults **in their own homes** to address issues associated with behavioral health conditions, such as chronic diseases, social isolation, housing insecurity, and financial challenges.
- The current allocation of \$2.5 million is a significant investment which provides vital services but is only enough to cover [less than 50% of the municipalities.](#)

Estimated Cost Savings:

- From 7/1/2021 through 12/31/2021 92 individuals referred to EMHOTS were in crisis. If these 92 individuals were hospitalized due to lack of EMHOT services, the economic impact would be between \$460,000 to \$1,472,000 (at \$5k to \$16k per admission).
- This is massive increase over the \$826 average per client cost of the EMHOTS for the 564 EMHOT clients who received services in the first six months of 2021.
- Providers report that EMHOTS are critical to helping avoid unwanted and costly nursing home admissions.

GRANTS TO MA COUNCILS ON AGING

9110-9002 For grants to the MA Councils on Aging (MCOA) and for grants to or contracts with non-public entities which are consortia or associations of councils on aging.

27,842,430

EXPLANATION – MCOA will be advocating for a \$1.00 increase to the COA Formula grant, hence increasing it from \$14.00 to \$15.00 per elder. **Asking for an increase over the Governor’s budget**, therefore our ask for the formula grant portion of the line item is \$25,652,430. The other portion of that line items is Service Incentive Grant Funding, which we are asking for level funding this year at \$2,160,000, so the total funding requested in 9110-9002 is \$27,812,430.

Councils on Aging received \$28,200,000 in FY '24 including a number of legislative earmarks. The COAs work is accomplished in part through Line Item 9110-9002 which funds two programs: the Service Incentive Grant program (SIG) and the Formula Grant Program (FG). SIG was the original intent of the line item in FY80 and was established to build capacity, promote regionalization, and foster innovation. The Formula Grant was developed in FY82, using the 1980 decennial US Census to fund a per capita allocation to augment local budgets. The FG focused on services and programs for older adults and continues to be allocated based on the US decennial Federal Census. Over the last two decades, 9110-9002 has been split roughly 90% for FG and 10% for SIG. The SIG continues to be competitive, align with priorities set by the Administration and Legislature, and promotes regionalization, outreach, transportation and innovation.

As mentioned above, the demand for services and supports for older adults has increased tremendously in recent years. This is due not only to the influx of “baby boomers” turning 60, as nearly 25% of the Commonwealth’s population is now over the age of 60, but also to the impact of COVID-19 on older adults.

Population	2020	2025	2030	2035
60+	1,721,462	1,925,417	2,049,347	2,098,125

Data Source: Donahue Institute, UMASS/Boston²⁵

“...As the first stop on the elder care continuum, our statewide network of Councils on Aging and Senior Centers have experienced overwhelming demand for services, particularly for our economic security programs, healthy aging and wellness programs, transportation, supportive day programs, and our outreach efforts to link older adults to much needed federal and state benefits.

The current Formula Grant of \$12 per elder, combined with the inflationary fiscal challenges we are facing, do not address this continued growth of the older adult population that crosses the threshold of our Commonwealth’s Senior Centers every day. The Massachusetts Association of Councils on Aging (MCOA) asks for your support as we seek to increase the Council on Aging (COA) Formula Grant, line item 9110-9002, from \$12 per elder per year to \$14 per elder per year for FY24 in order to help the Councils meet the increased needs. It is important to note that the Formula Grant is the only standardized funding that we receive from the Commonwealth to meet the needs of adults 60 and older, a rate lower than the hourly minimum wage.

²⁵ <https://mcoonline.com/2023/01/25/mcoa-submits-fy24-budget-request-to-governor-healey/>

MCOA is of course very grateful for the continued funding for the Councils in the final FY23 budget which included an additional \$2,522,500 in earmarks above the \$21m required for the \$12/elder allocation and partial funding for the SIG...”

OUTSIDE SECTIONS

Prohibition of Investment of Public Pension Funds in Private Equity Firms and Real Estate Investment Trusts (REIT) that Own or Invest in Long-Term Care Providers

SECTION XX. Paragraph (h) of subdivision (1) of section 23 of chapter 32 of the General Laws, as appearing in 2020 Official Edition, is hereby further amended by inserting after the phrase, “sale of tobacco products;” the following:-

“and no public pension funds under this subdivision shall remain invested in the stocks, securities, or other obligations of a private equity firm or REIT which derives revenues from any ownership or return on investment from long-term care facilities licensed pursuant to chapter 111 of the general laws or a third party business related thereto;”

EXPLANATION: The Legislature, beginning in 1982, has from time to time prohibited the investment of public pension funds in entities doing business with South Africa or Northern Ireland or with businesses, the products of which, are deemed harmful to the health of Massachusetts residents. Since long-term care facilities that are owned by private equity firms or REITs have been proven to be harmful to nursing home residents, Massachusetts should not invest in such business activity.

Level Funding for PCA Program

SECTION XX. Notwithstanding any other general or special law, the funding for the Personal Care Attendant program (PCA) program, including the contracts, programs and services authorized and funded in FY’24, shall be maintained at the same level in the FY’25., in addition to any prior appropriation to be continued.

Explanation: It appears that the Governor’s Budget writers have misunderstood that the PCA program helps to keep people in their homes rather than in institutional settings that are more expensive. The people who received assistance through this program will still need assistance, and will be entitled to receive it through other state programs and admission to nursing homes. Rather than an anticipated savings to taxpayers, the cost of service will be expected to increase, services will be disrupted, and recipients will have less control and oversight. The PCA Program is a MassHealth program that helps people with permanent or chronic disabilities keep their independence, stay in the community, and manage their own personal care by providing funds to hire PCAs. The PCA consumer (the person receiving PCA services) is the employer of the PCA, and is fully responsible for recruiting, hiring, scheduling, training, and, if necessary, firing PCAs.

increasing the personal care allowance for long term care residents.

SECTION XX 1. Section 1 of chapter 117A of the General Laws, as appearing in the 2020 Official Edition, is hereby amended by striking out the second paragraph and inserting in place thereof the following paragraph:- Any person eligible for assistance under this chapter who is not maintaining their home and is receiving care in or residing in a licensed nursing facility, licensed chronic hospital, licensed rest home, or an approved public medical institution as defined in section 8 of chapter 118E, shall retain the first \$100 of their monthly income for clothing, personal needs, and leisure time activities. If there is no such income or if it is less than the amount of \$160, such a person shall be paid monthly in advance the difference between such income and said amount. Said 10 amount shall be increased annually each fiscal year at the same time and at the same percentage rate as increases payable to an individual who maintains their own home and receives state supplementary payments pursuant to sections 1 and 2 of chapter 118A.

SECTION XX 2. Chapter 118A of General Laws, as so appearing, is hereby amended by inserting after section 7A the following new section:- Section 7B. Any person eligible for financial assistance under this chapter who is not maintaining their home and is in a licensed medical facility which is eligible for medical assistance payments pursuant to chapter 118E or is residing in a licensed rest home to which such person pays a fixed rate, shall retain the first \$160 of their monthly income for clothing, personal needs, and leisure time activities. If there is no such income or if it is less than the amount of \$100, such a person shall be paid monthly in advance the difference between such income and said amount. Said amount shall be increased annually each fiscal year at the same time and at the same percentage rate as increases payable to an individual who maintains their own home and receives state supplementary payments pursuant to sections 1 and 2 of this chapter.

SECTION XX 3. Section 15 of chapter 118E of the General Laws, as so appearing, is hereby amended by striking the fourth paragraph and inserting in place thereof the following paragraph:- A person eligible for medical assistance under this chapter who is not maintaining their own home and is receiving care in a licensed nursing facility, a licensed chronic hospital, a licensed rest home, an approved public medical institution, or a public psychiatric institution shall retain the first \$160 of their monthly income for clothing, personal needs, and leisure time activities. If there is no such income or if it is less than the amount of \$100, such a person shall be paid monthly in advance the difference between such income and said amount. Said amount 3 of 3 shall be increased annually each fiscal year at the same time and at the same percentage rate as increases payable to an individual who is maintaining their own home and who is receiving supplemental payments pursuant to sections 1 and 2 of chapter 118A.

SECTION XX 4. Section 15 of chapter 118E of the General laws, as so appearing, is hereby amended by striking in the fifth paragraph the figure "\$60" and inserting in place thereof the following figure:-\$160

EXPLANATION: The **Personal Needs Allowance (PNA)** is the amount of monthly income a Medicaid-funded nursing home resident can keep of their personal income. The PNA

is intended to cover the nursing home resident's personal expenses, which are not covered by Medicaid. This may include, but is not limited to haircuts, vitamins, clothing, magazines and vending machine snacks. The federally mandated PNA was set at \$25/month in 1974, and it was increased to \$30/month in 1988²⁶. Each state, however, can allow for a higher Personal Needs Allowance, up to a maximum of \$200 / month.

Massachusetts last updated the Personal Needs Allowance in 2007, when it was set at \$72.80. This rate is also the same that residents received 30+ years ago. During that timeframe, the PNA was reduced to \$60/month for well over a decade. It was only as a result of significant advocacy that in FY 2008, the PNA was finally reinstated to \$72.80/month.

The Personal Needs Allowance of \$72.80 would need to be nearly \$163 today to purchase the same amount of goods and services, according to the CPI Inflation Calculator.²⁷

The number of nursing home residents who are SSI/SSP (State Supplement Program) recipients and receive a portion of their personal needs allowance from DTA is 3,113.

Most nursing homes do not provide: services like television and telephone; personal comfort items, including candy and tobacco products; cosmetic products and services beyond those included in basic service; personal clothing; personal reading materials; flowers or plants; and social events beyond what is offered by the facility. These items and services will usually need to be provided by the resident or the resident's family.²⁸

²⁶ <https://www.medicaidplanningassistance.org/personal-needs-allowance/>

²⁷ [Inflation Calculator | Find US Dollar's Value From 1913-2024 \(usinflationcalculator.com\)](https://www.usinflationcalculator.com/inflation-calculator/)

²⁸ <https://www.ncoa.org/adviser/local-care/nursing-homes>