

SOMERVILLE-CAMBRIDGE HOME CARE CORP.

One Davis Square 4 53 PM '80

Somerville, Mass. 02144 (617) 628-2601

May 15, 1980

Mayor Francis Duehay
City Hall
Cambridge, MA. 02139

Dear Mayor Duehay,

The House Ways and Means Committee recently recommended a fifty million dollar appropriation in FY 81 for Home Care Corporations under the Department of Elder Affairs.

Statewide Home Care will provide over 45,000 elderly residents with home health, homemaking, chore, and transportation services by the end of next fiscal year. This represents over 45,000 people who would otherwise drain heavily on Medicaid and other state funded programs as a result of medically unnecessary days in hospitals and nursing homes if Home Care alternatives were drastically reduced. The House Ways and Means recommendation would close intake for Home Care services and induce waiting lists for services early in the year.

The Massachusetts Home Care Association has forecasted a cost of sixty million dollars to maintain current service levels and thereby avoid denial of services to frail elderly people in need of them. This does not include anticipated provider rate increases and additional inflationary costs. To appropriate less than \$60 million will seriously disable a nationally recognized model of long-term care for the elderly; and, would in the long run increase state costs. It would also be contrary to the Administration's vocal commitment to the aged of our Commonwealth.

Please review the attached Fact Sheet in careful consideration of the Department of Elder Affairs' Home Care budget in Fiscal Year 1981. I feel confident that we can depend upon your active support.

Sincerely yours,



John O'Neill
Executive Director

D.E.A. FY 1981 Budget
Fact Sheet

I. Home Care Account:

1. According to a study conducted by Lawrence Branch (Joint Center for Urban Studies at Harvard and MIT), about 5% or 49,450 of the state's elders need in-home services. Home Care Corporations currently serve 33,000 elders.
2. It is expected that 45,000 elders will be receiving home care services by the end of FY 81. A budget of at least \$60,000,000 will be necessary to provide these services. That is \$10,000,000 more than Governor King's recommendation.
3. This lower recommended funding level will close intake and necessitate a waiting list for services early in the year.
4. The average cost per client for home care services is \$116 per month. These services reduce the cost of medically unnecessary days in hospitals and nursing homes.
5. Two thirds of the clients receiving home care services are over age 75; 81% of clients have family incomes below \$5,000 per year.
6. Social Security benefits will increase by 14.4% in July. The House budget has been amended to reflect this fact. Encourage the Senate to also increase the eligibility levels of Title XX and Sliding Fee by 14.4% so that currently eligible elders will not be excluded from necessary services.

II. Councils on Aging Account:

1. With inflation, 4% tax caps and the prospect of Proposition 2 1/2, it is difficult for councils on aging to offer ongoing services. The increased state account is necessary to offset such negative impacts.
2. A budget of at least \$500,000 is necessary for many councils on aging to maintain current levels of services. More will be required for councils to be able to institute necessary innovative programs and services at the local level.
3. The increased funding level will give further recognition to the importance of councils on aging. This will enhance the ability of the councils and their center to be designated community focal points for other funding sources.

S-249

Comm. from Mayor Francis H. Duehay transmitting one from the Somerville - Cambridge Home Care Corporation re: proposed home care component of the budget of the Dept. of Elder Affairs and urgin the Council's support thereof.

In City Council,

May 19, 1980

5/19/80

Placed

on

File