

Testimony of Donna Poole, MA, CPA
Arcadia Living LLC
Before the House Health and Government Operations Committee
March 15, 2023
SUPPORT – House Bill 1231 – Maryland Department of Health

**Workgroup to Study the Establishment of an
Affordable Assisted Living Enhanced Care Program**

Good afternoon, Chair Pena-Melnyk and Members of the House Health and Government Operations Committee. My name is Donna Poole. I am the founder of Arcadia Living, LLC, and I am a Certified Public Accountant in the State of Maryland. I have been a CPA for over 23 years and I opened my first Assisted Living facility 17 years ago. In 2018 I received my Master's Degree in Management of Aging Services from UMBC.

My entre' into assisted living came from the desire to care for my grandmother and father in a loving and homelike environment. Their need for 24-hour care prompted me to license my home to care for 5 elderly adults and I enrolled in the Medicaid Waiver program. My heart was in it to take care of my family but my accounting brain could not make sense of how the financial model could work. **After we paid all our fixed costs such as mortgage, utilities, food, nurse and repairs we only had enough money left over to pay \$6/hour to 24-hour care employees.**

I spoke with many other small assisted living owners and their model centered around hiring live-in caregivers or providing care themselves for 12 hours per day, and they slept overnight with a baby monitor set up so they could hear the residents if they needed help. This model is legally acceptable unless a resident has "triggers that require awake overnight care" such as risk factors for falls, vision or hearing impairments, evidence of dementia, need for help in the bathroom and other similar needs. The primary issue that I faced, is that nearly every resident had "triggers" for awake overnight staff. Medicaid layered in a new regulation, the settings rule, which would require the assisted living to give the resident round-the-clock free access to the front door, the kitchen, laundry room and the ability to choose their roommate if in a shared room. I had many residents with evidence of dementia and other physical impairments that would have made this irresponsible of me and downright deadly. I stopped accepting Medicaid Waiver and disenrolled from the program.

Arcadia now has 5 locations serving 79 residents in Maryland. Our model is small home serving up to 16 residents per facility in a nurturing homelike setting with compassionate well trained staff. We operate under the "enhanced care" model and can only logically afford to accept private pay. We receive in excess of 30 calls per month from individuals seeking access to Medicaid beds but we simply cannot afford to accept considerably less than our cost to provide for them in our facilities. The current Medicaid Waiver reimbursement rate for level 3 resident is only \$107.25 per day – this is inadequate to cover Arcadia's costs.

The Medicaid Waiver program reimbursement is so low that only small homes are willing to accept it and the above noted approach to make ends meet is dangerous for the resident and for the provider. The Hilltop Rate Methodology Study released in 2018 indicated that assisted livings were underfunded by as much as \$47.21 per day per resident, and that Study, in addition to being 5 years, and a great deal of inflation, in the past was precedent to most recent minimum wage regulations. Moreover, the study suggests less than sufficient staffing to meet resident needs. Assisted Living caregivers provide informed and specialized care to the residents and deserve and require compensation that exceeds minimum wage, which can be earned for much less demanding work circumstances.

We need to find new solutions and new models to provide for our elders. The demand for assisted living Medicaid Waiver beds is primarily being supported by the hardworking small home providers who are forced to discharge their residents to nursing homes once they require awake overnight staff such as showing signs of dementia or become incontinent. I support the creation of this Demonstration.

Thank you for the opportunity to testify. I am happy to answer any questions and ask for a favorable report on HB 1231.