



Homefront

HOME CARE ASSOCIATION OF NEW HAMPSHIRE

August 2003

Losses in Home Health Funding Affect Access to Care

Home Health Agencies Alter Missions, Programs

Home health agencies around the state are struggling to continue to provide care under state programs, where reimbursement rates have been frozen since 1999. The advent of two more years of static rates under the proposed state budget, along with Medicare cuts and rising costs, has forced some agencies to make tough decisions affecting the amount of care they can subsidize.

In June Home Health & Hospice Care (HHHC) of Nashua found it necessary to redefine and manage its mission of serving individuals regardless of their circumstances, when it became clear that reducing overhead costs alone would not be sufficient to stem losses. Services that are only partially funded or are non-reimbursable are

reviewed on an ongoing basis to help manage losses.

"The loss of funding from some municipalities, coupled with Medicare and Medicaid shortfalls, make it difficult to provide care to everyone," says Dr. Karen Baranowski, DNSc, RN, chief executive officer of the Nashua agency. Labor costs are the greatest expense incurred by home care agencies. The national nursing shortage is further complicating the revenue/expense picture by driving up the cost of professional salaries and benefits. "While it is too soon to gauge the number of individuals in southern New Hampshire communities affected by the change in

The change in access has been the direct result of a growing home health funding crisis in New Hampshire.

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Medicare Reform Bill Could Introduce Home Health Copayments

Providers and Consumers Need Appropriate Medicare Reform

Medicare reform measures are on the table in Washington as part of the Prescription Drug and Medicare Modernization Act of 2003. Both the House and Senate passed versions of this bill earlier this summer (H.R. 1 in the House, S. 1 in the Senate), and it is now in a Committee of Conference where differences will be ironed out. While the press and senior advocates have focused on the prescription drug provisions, the

bill includes a number of regulatory and payment changes that will directly affect home health agencies and consumers.

Beneficiary copayments. The House version, H.R. 1 would introduce copayments for home health services. While home health is one of the few Medicare services not subject to copayments, there is good reason to

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HHHC's service delivery, we are certainly concerned that anyone may go without the home care services they need," offers Susan Young, executive director of the Home Care Association of New Hampshire.

On the seacoast, Rockingham VNA and Hospice (RVNA) has discontinued its homemaker service program in response to ongoing losses related to that and other state-funded programs. Their efforts to transfer homemaker staff to another area contractor where derailed when the other provider could not match the workers' wages. Many of the homemakers had been at RVNA a decade or more. Not only did the dedicated homemakers lose in this case, but also the clients and their families who had developed long-term relationships with their caregivers. Mary Palmer, R.N., executive director of the Exeter agency and Home Care Association president says, "This was a very difficult decision for us to make, but after years of losses under both the Medicare and Medicaid programs, we had to let something go. Last year we lost \$64,000 on revenues of \$104,000 delivering homemaker services, and with no rate relief in sight, we just couldn't continue to subsidize this program along with all our other commitments to our communities."

According to HCANH director Susan Young, "Communities are likely to see more cuts and other changes to home care programs and services as state and federal programs fail to reimburse providers at reasonable levels and ignore increasing costs over which providers have no control."

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maintain this policy. The typical home care Medicare beneficiary is female, 75 years or older, and has a family income of \$15,000 a year or less. By the time they qualify for home health services, most beneficiaries have already incurred copayments and deductibles for physician services, hospital stays, and home medical equipment. Faced with additional out-of-pocket expenditures, many frail homebound elders will be forced to forgo appropriate home health services. Ultimately, this will lead to increased Medicare expenditures as these beneficiaries seek care in emergency rooms, hospitals, or skilled nursing facilities.

Granite State Home Health Association, the government relations affiliate of the Home Care Association, supports adoption of the Senate version of the bill, which excludes home health copayments.

Provider Reimbursement Issues.

H.R. 1 also contains a cut in the Medicare home health market basket update, the annual inflation adjustment for home health rates. The Senate version is silent on this issue. Home health agencies have already experienced a disproportionate amount of cuts in reimbursement as a result of the Balanced Budget Act of

1997 (BBA). As a result of the BBA cuts and other factors, about 1.3 million fewer Medicare beneficiaries in the country are receiving home health services annually than in 1997.

In October 2002, Medicare reimbursement for home health care was cut by about 10 percent, and another 10 percent reduction affecting only rural agencies became effective April 1, 2003. The impact of these cuts on New Hampshire agencies has been dramatic, creating overnight operating deficits in many agencies. The House bill would restore the "rural add-on" at the level of 5 percent, while the Senate version restores the full 10 percent effective October 1, 2003.

Advocating for Reasonable Reform. Granite State Home Health Association is asking the NH Congressional Delegation to actively support the restoration of a 10 percent

"add-on" to the reimbursement rate for rural agencies, to oppose reductions in the market basket update, and to oppose beneficiary copayments on home health services. We urge readers to contact Senators and Congressmen while they are home during the August Congressional recess (now through Labor Day) to seek the strong support on these home care issues.

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Consumer-Based Home Health Quality Report Due

The Centers for Medicare and Medicaid Services (CMS) plan to release their Home Health Compare quality report later this fall. The web-based report, available at www.medicare.gov/HHCompare/me.asp, is intended to capture information about changes in patient mobility and other individual characteristics while in the care of a Medicare-certified home health agency. It was developed by CMS to help families and healthcare providers select among home health agencies in an identified service area, and to encourage home care agencies to improve quality performance scores. A similar quality report was developed and released late last year by CMS to help consumers compare nursing home quality.

According to the Government Accounting Office (GAO), over 80% of

all home care services are provided by family caregivers. Home health agencies provide considerable support and relief for many families. “The quality report is one more tool that may help families learn more about home health agency services; however,

Home health agencies provide considerable support and relief for many families.

it does not replace the dialogue families should have with their physicians and others about experiences with local agencies,” says Susan Young, executive director of the Home Care Association of New Hampshire.

When selecting a home care

agency, it is helpful to ask physicians and friends about their home care experiences. It is also important to learn how home care staff are selected and trained, what services agencies provide, and the extent of agency experiences with specialized services and disease management programs.

New Hampshire’s home care agencies take pride in their skilled and compassionate staff and the quality services they deliver to patients and families. Questions about home health quality improvement programs or report scores should be directed to individual agencies.

Visit www.homecarenh.org to find information about home care agencies in your community. It’s fast and easy. Click “Find a Provider” then search by city or town.



State Budget May Impede Shift to Community-Based Services

New Budget Proposals Could Have Costly Consequences

Following the Governor’s veto of the budget passed by the legislature in late June, a House-Senate Budget Advisory Committee has been meeting with the Governor on a weekly basis to seek a compromise. The Governor has proposed a number of savings and revenue measures, many of which involve the Medicaid program, and the legislative committee has been receptive to most of his suggestions. But will these new savings targets be reached? And what happens if they aren’t?

NH Cares, a group of human service providers that advocates for responsible budgeting, is pessimistic that the estimated savings can be realized during the biennium.

“Because the new proposed budget relies on Medicaid savings that have little chance of materializing, its practical consequence would be to force substantial cuts in all DHHS programs that rely on state General Funds,” according to Gordon Allen, budget analyst for NH Cares and director of the Developmental Disabilities Council. “Further and as damaging, it would likely create two more years of budget uncertainty, paralysis, and a series of ongoing additional cuts for these same DHHS programs.”

The impact of further cuts could be felt in many programs, and could even result in higher use of costly institutional care. If community-based programs like adult day care, in-home

care, respite and other services are trimmed or reimbursement rates cut, access will certainly be affected. Without the support of these essential community services, the individuals and families that rely on them may be forced to turn to the institution-based entitlement programs like nursing homes—at far higher cost to the state and counties.

One solution suggested by NH Cares is to add a footnote to the budget, stipulating that Medicaid deficits will be made up by the Rainy Day Fund, rather than by further cuts to other DHHS programs. The legislature will reconvene in September to vote on the compromise budget.



Richard Chevrefils Receives Home Care Service Award

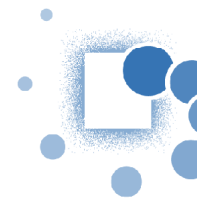
In June Richard Chevrefils of Concord was given the prestigious Home Care Service Award. The award is presented each year by the Home Care Association of New Hampshire (HCANH) to an individual who has made significant contributions to home care in the state through work in education, research, advocacy, or leadership.

Chevrefils is recognized as a health and human services champion for frail, elderly and disabled individuals. "Dick has made significant contributions to the state's healthcare system for the benefit of home care patients and providers alike," said Mary Palmer, president of HCANH. Chevrefils left the Department of Health & Human Services in May to become State Director of AARP New Hampshire, where he is expected to continue to play a key role as a spokesperson for the state's seniors. He has also served on the Governor's Commission on Disability, Workforce Opportunity Council, Healthy Manchester Leadership Council, Salvation Army, YMCA, and NH Association for the Blind. He was a member of the Home Care Association's board of directors in 1975.



Richard Chevrefils of Concord, recipient of the prestigious Home Care Service Award.

In accepting the award, Chevrefils said he believes strongly in partnership and expects to continue working with home care organizations to educate the public about the important work health care providers do. "Home care staff bring more than professional skill to people," he told HCANH members. "Equally important is their humanness, the kindness, sensitivity and respect they bring to the people they care for."



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The Home Care Association of New Hampshire (HCANH) is a membership organization which enhances the ability of agencies providing home health care to deliver quality services to New Hampshire residents. HCANH is the only association of home health providers in the state and a member of the National Association for Home Care. HCANH is your resource for information about home health services, providers and issues. Call us at 1.800.639.1949 or visit our website: www.homecarenh.org.



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