



## Nursing Shortage Hits Home

### *Families with premies feel the pinch*

When premature infants grow stronger and are ready to go home, many New Hampshire families experience the nursing shortage firsthand. These families often find they cannot bring their medically complex infants home from the hospital without specialized nursing support in place. And there are not enough nurses to meet demand. The result is often longer hospital stays for these babies and higher inpatient costs—estimated at as much as ten times higher than home healthcare costs.



*Nancy Chase, R.N., VNA Health System project leader for the "Bringing Children Home" project.*

"Advances in technology increase the survival and life span of seriously ill infants and children which, in turn, stretches nursing resources to the limit," says Sandra Poleatewich, R.N. and administrator at Interim Healthcare, the state's largest provider of long-term pediatric home care. Skill level and scheduling requirements for long-term or "block time" care create significant home care staffing challenges. In these situations, a single nurse typically works full-time in a family home caring for one child

*SHORTAGE, continued on page 2*

## Contents

- 1 Nursing Shortage
- 1 Legislation to Watch
- 2 Message from the Executive Director
- 3 Study Committee Recommendations on Long-Term Care
- 4 Medicare Update

## Home Care Legislation Tackles Regulatory Burden, Reimbursement Rates

A number of bills affecting home health agencies are being considered during New Hampshire's 2003 legislative session. One top priority bill for Granite State Home Health Association, the government relations affiliate of the Home Care Association of New Hampshire, addresses Medicaid home health reimbursement rates. A second is intended to simplify regulatory requirements for home health agencies and other licensed health facilities. These bills are profiled below.

*HB 793-FN-A, relative to reimbursement*

*rates for home health services and making an appropriation therefor.*

In 1997, the legislature passed a bill requiring that reimbursement for home health services reflect the average cost to deliver care in the state; be adequate to ensure quality, efficiency and access to care; and be revised on an annual basis. After an extensive review of costs conducted by an external consulting firm, the Department of Health & Human Services (DHHS) increased home health rates effective February 1999. Despite

*LEGISLATION, continued on page 2*

## Message from the Executive Director

Dear Friends of Home Care:

The NH state legislature, like its counterparts throughout the country, is grappling with greater financial challenges than in years past. Not only does education remain on the table as an unresolved issue, but health care and social service needs exacerbated by the economic downturn have joined it.

Why is health care all of a sudden such a concern? It's not really very sudden at all. We've been hearing demographic projections for years about our growing elderly population, with the 85+ segment showing the fastest growth. Since this oldest group of citizens is most likely to have the greatest healthcare needs, it's no wonder that the demand for Medicaid services is increasing.

On the supply side, healthcare providers have been struggling to maintain access to quality care with a diminished workforce. And home care in particular has been asked to continue delivering care to state-funded programs at reimbursement rates that haven't changed in four years. So far most home care agencies have managed to deliver at least some care to those who need it, but they've been doing so at a loss. Clearly the system is out of balance.

It will be up to Governor Benson, state legislators, officials at the Department of Health & Human Services, and all of us as providers and consumers to assure that essential services are available to seniors and other vulnerable citizens now and in the future. We urge policymakers to work together to craft a budget for FY 2004-05 and to support other legislation that provides reasonable access to care for those in need and fair reimbursement to providers of that care.

Sincerely,  
Susan M. Young  
Executive Director

### SHORTAGE, continued from page 1

over an indefinite period of time.

Pediatric home care nurses for both long- and short-term cases have become among the most sought after workers by home care agencies.

Nancy Chase, R.N., project leader for the "Bringing Children Home" project coordinated through the VNA Health System of Northern New England explains, "The expanse of diagnoses and related

complications make it difficult to find nurses with the right expertise to care for sick infants and children at home." In addition to good clinical skills, home care requires independence and superior problem-solving skills, as well as the ability to work well with parents in a team approach. The

*This kind of caregiving  
requires a nurse  
with specialized  
interests and skills.*

VNA project, a collaborative initiative funded by the Endowment for Health, is developing strategies to train current home care nurses in pediatric care and to share pediatric nursing resources among multiple home care agencies.

Demand for pediatric home care nurses will continue to grow with medical advances. "We must continue to expand recruitment and training opportunities

for these nurses and assure adequate funding for the programs that support them," says Susan Young, executive director of the Home Care Association of New Hampshire.



### LEGISLATION, continued from page 1

the requirement for annual revisions, no changes in the Medicaid rates for these services have been made since that time. This bill would simply bring rates up-to-date and then implement an annual increase in Medicaid home health rates, to which providers are entitled under current law, tied to an appropriate market basket index.

*HB 465, relative to the rulemaking authority of the department of health and human services and relative to licensing rules for health facilities.*

Home health agencies are licensed pursuant to RSA 151, the statute governing all healthcare facilities, including hospitals, nursing homes, clinics and others. Although the care delivered in each of these settings varies considerably, DHHS has drafted a single set of rules that would apply to all facilities. While DHHS has included in its draft rules a

number of exceptions for home health agencies, the rules remain cumbersome and often inappropriate for care delivered in a home. Many other provider groups have cited similar disadvantages to a combined set of rules. This bill would require DHHS to promulgate separate rules for each care setting appropriate to that environment, thereby reducing the costs of compliance and improving quality of care.

In addition to these bills, the Granite State Home Health Association is interested in measures related to privacy of personal information and medical records, Medicaid eligibility, and long-term care funding and program management.



# Second Legislative Study Committee Recommends Provider Rate Increases

In the last issue of *Homefront* we profiled the work of the Long-Term Care Rate Advisory Committee established in 2001 to review the rate structure for long-term care providers. After six months of research, that group recommended a number of steps to address reimbursement issues, including improving reimbursement for community-based care providers.

A second study committee was formed in 2002 to examine the progress made toward re-balancing the long-term care delivery system as envisioned in SB 409 (1998, Chapter 388). This committee looked at the barriers to creating home and community-based long-term supports for the elderly and adults with disabilities, the needs and preferences of consumers with regard to long-term supports, and options for legislation to re-enact the goals of SB 409.

**SB 409 accomplishments.** The committee concluded the most notable accomplishments in the past five years have been the development of an information and referral system, known as Servicelink, and the transition of the nursing home industry to acuity-based reimbursement. Some work on offering long-term care needs assessment and counseling as a means to divert persons from nursing home admission has been accomplished through a four-county pilot project, but the majority of the individuals screened for Medicaid eligibility were already nursing home residents as private pay patients. The addition of residential care as a Medicaid waiver service was an

important step, though the numbers in that setting are less than projected due in large part to poor reimbursement rates.

**Barriers to community-based long-term care.** Significant barriers to achieving the goals of SB 409 were identified by the committee. Chief among them is insufficient funding. The committee reported the following findings:

- “The level funding of long term care services has seriously, negatively impacted the providers of services. The situation is serious enough to be placing

*“The level funding of long-term care services has seriously, negatively impacted the providers of services....”*

some providers in financial jeopardy.

- “The inadequate funding caused by low reimbursement ‘caps’ has prevented home and community-based as well as mid-level care from being a viable option for nursing home eligible individuals.
- “The inadequate funding of state long-term care expenditures, at a time of rising costs, has caused a shift of responsibility to county government ...
- “The workforce shortage has presented a serious concern that has already and will continue to impact the availability of care and



the quality of care if it is not remedied.”

**Committee recommendations.** The committee supported the recommendations of the Long-Term Care Rate Advisory Committee for reimbursement reform, and added that rates for both Medicaid and non-Medicaid social services “must be increased in order to provide adequate reimbursement and create opportunities to establish such care throughout the state.” The committee also concluded that “the current cost control caps should be revised to more adequately reflect the costs of care so that people will have a real choice of community alternatives”

**Legislative agenda for 2003.** A number of bills have been filed that address issues identified by the two committees. In addition to the budget, separate legislation deals with caps on community-based and mid-level care and reimbursement of home health and other long-term care providers.



# Medicare Update

Medicare reimbursement issues continue to be a priority for many provider groups struggling with inadequate payments.

The Balanced Budget Act of 1997 (BBA) changed the way home health agencies are reimbursed, moving away from cost reimbursement to a prospective payment system. After surviving a very difficult interim payment system, prospective payment went into effect on October 1, 2000. Because of concerns that the national payment rates would harm small, rural agencies, a temporary "rural add-on" that raises the payment rates for rural agencies by 10 percent was added to the payment system.

Most New Hampshire agencies have successfully transitioned to the new system, but are concerned about two payment cuts. First, the rural add-on expires on

April 1, 2003, resulting in a 10 percent payment cut for many of the state's smallest agencies serving our most isolated residents. Second, the BBA mandated a 15 percent reduction in the prospective payment rates as of October 1, 2002. The computation of this rate cut actually results in a reduction ranging from 4 to 7 percent, but is still a significant change, particularly for those agencies facing the loss of the rural add-on.

Home care agencies have asked our congressional delegation to support restoration of the October 1 cut and to extend the rural add-on. Both our senators and representatives supported home care in the prior Congress, and we seek their ongoing assistance to establish fair reimbursement policies.

*Medicare reimbursement issues continue to be a priority for many provider groups struggling with inadequate payments.*



Education

Networking

Research

Leadership

Communications

Public Policy



*Visit the Association's newly redesigned website for home health and career information:*

**[www.homecarenh.org](http://www.homecarenh.org)**

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](http://www.homecarenh.org).



Eight Green Street, #2  
Concord, NH 03301-4012

Non-Profit  
U.S. Postage  
PAID  
Concord, NH 03301  
Permit No. 1505