



Homefront

HOME CARE ASSOCIATION OF NEW HAMPSHIRE

November 2004

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Cash Crunch Perils Home Care; Less Medicaid Money Is Cited

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Multiple sclerosis has changed Maureen Hannigan's life in many ways—but not in some of the most fundamental ways. The Lebanon woman is still able to live at home and participate in community life, serving as chairwoman of the city's Americans with Disabilities Act committee, volunteering at school functions and going to Colburn Park for activities such as concerts.

For that, she thanks the Visiting Nurse Association & Hospice of Vermont & New Hampshire (VNAVNH), which provides nursing care and help with household tasks.

But home health services for needy New Hampshire residents are in jeopardy because government Medicaid reimbursements have fallen significantly behind the costs of providing care, according to New Hampshire home care agencies.

At a forum in North Haverhill last week—one of a series being held around the state—four nonprofit Grafton County agencies that provide home care reported a total of nearly \$450,000 in losses last year from state-financed home care services, mostly Medicaid. A federal/state program, Medicaid provides insurance for many of the state's low-income, disabled and mentally ill residents.

Because of budget problems, the state hasn't adjusted Medicaid reimbursement rates since 1999, even as costs such as benefits and wages have gone up. Home care agencies typically receive about 55 cents for every dollar they spend to provide care, said Susan Larman, president and chief executive officer of the VNA & Hospice of VT & NH. "We are in crisis; reimbursement

is grossly inadequate," said Larman, whose agency is based in White River Junction and has an office in Lebanon. "The gap between our costs and reimbursement is widening."

Operating Losses by County Incurred on Medicaid Home Care Services for the Elderly & Chronically Ill excluding services for children*

Carroll -----	\$ 431,049
Coos -----	\$ 550,261
Grafton -----	\$ 413,389
Hillsborough -----	\$ 965,693
Merrimack -----	\$ 506,678
Rockingham -----	\$ 476,201
Strafford -----	\$ 761,977
Total Losses -----	\$4,105,248

**Financial data voluntarily provided by Association members and other home care providers; Belknap, Cheshire & Sullivan County data presently unavailable*

Some 60 people, mostly legislators and health care providers, gathered at the session to hear Larman and others talk about the financial problems facing home care. The groups are lobbying for policy changes including setting Medicaid reimbursement rates that reflect the true cost of delivering care.

But policy analysts say the prospects of getting more Medicaid money aren't good because of the state's dismal budget picture. "It's likely to get worse," said Doug Hall, co-executive director of the New Hampshire Center for Public Policy Studies, a nonprofit,

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nonpartisan group in Concord. Of every dollar spent on Medicaid in New Hampshire, the federal government contributes 50 cents, with the rest coming from the state or a combination of state and county governments.

Hall said New Hampshire has typically tried to save money on Medicaid by freezing or lowering reimbursement rates rather than making fewer people eligible to receive services. "That has put any number of service providers in sometimes financially untenable straits," he said

Losses total about \$4.9 million for all state-supported home care services in seven New Hampshire counties for which data is available, said Shirley Iacopino of the Home Care Association of New Hampshire. Agencies have tried to fill budget gaps through fundraising, other public money such as town contributions, and cost shifting to other payers, but those measures are no longer sufficient, they say.

Inadequate Medicaid reimbursement makes it difficult to pay competitive wages needed to recruit and retain staff at a time when there's a shortage of nurses and licensed nursing assistants. Agencies are also facing increased costs from health insurance, workers compensation, malpractice insurance, inflation and compliance with new federal rules. Compounding the problem is that the state's population of elderly residents is growing.

North Country Home Health & Hospice has considered cutting its homemaker program which assists with routine household tasks such as laundry, shopping and cleaning, and has begun asking for a donation of \$3 an hour, said Executive Director Gail Jurasek. "I don't know how long we can continue (the program)," she said.

The agency is also looking at discontinuing service in more distant areas such as Pike and Warren, since Medicaid doesn't reimburse mileage or travel time.

"A lot of rural agencies like (us) are really trying to hold onto these programs because without them there's going to be a lot of people in nursing homes," she said. "These people won't be able to stay at home without some kind of support."

Connecticut Valley Home Care in Claremont at times has had to provide fewer visits than people are eligible to receive, said Director Elaine Bussey. "I just think people's needs are not being met," she said. People without sufficient home care tend to suffer more acute illnesses that require expensive hospitalization, she said. "(Not providing home care) is not

Inadequate Medicaid reimbursement makes it difficult to pay competitive wages needed to recruit and retain staff at a time when there's a shortage of nurses and licensed nursing assistants.

really saving costs in the long run."

That message hasn't been lost on the state, said Greg Moore, a spokesman for the Department of Health and Human Services. The average cost that Medicaid pays for nursing home care is \$36,000 a year, more than triple the \$11,000 average price tag of home-based care.

But while state officials say they'd like to strengthen home care, "Given the projected budget reality that might be very difficult for them to do," said Tom Bunnell, director of the Institute for Health, Law and Ethics at Franklin Pierce Law Center, an independent, nonpartisan research and policy institute in Concord.



Sen. John Gallus (District 1) and Executive Director Gail Jurasek of North Country Home Health & Hospice at the Grafton County Home Care Forum

Looming deficits have prompted the governor to ask state agencies to submit budgets that are 10 percent less than this year for fiscal year 2006. With no changes in programs, taxes or regulations, the state will face a \$71 million deficit by June 2005 that's expected to swell to \$306 million by June 2007, according to a report from the New Hampshire Center for Public Policy Studies.

Rep. John Alger of Rumney who attended the forum doesn't like to see new taxes. "On the other hand, we're going to have to recognize this issue (of inadequate reimbursement) and try to do more with it," said Alger. He said moving away from institutionalized care could free up more money for home care.

Policy analyst Doug Hall said home health agencies might need to take more drastic action if they want change. "In a way, what it's going to take for the state to pay attention is for agencies to just say, 'Sorry, we're not delivering these services any more until we get reimbursed at reasonable rates,'" Hall said. "Why would the state go out of its way to increase rates as long as it knows it can buy the services at lower rates?"



Nashua Nursing Assistant Honored

In June nearly 100 licensed nursing assistants from across the state were recognized for compassionately and selflessly devoting their lives to the care of others, and for improving the quality of patient lives every day. At the annual event, Elizabeth Buchanan of Nashua-based Healthy at Home, received the Home Care Nursing Assistant of the Year award from the Home Care Association of New Hampshire.

Healthy at Home nominated Ms. Buchanan for her inspiring service. Elizabeth routinely goes above and beyond the “call of duty” and carries out many activities on her own time to enhance the care and understanding of the autistic children she cares for. She has attended the “Smile School” which teaches caregivers how to deal with autistic children, what to expect, and what to accept. Elizabeth has also learned sign language to better communicate with the children. “She’s worked tirelessly searching community supports to benefit the kids and their parents and truly deserves the recognition of this prestigious award,” says her employer Linda Carter.

This event is annually sponsored by the Home Care Association of New Hampshire, New Hampshire Association of Counties/County Nursing Homes, New Hampshire Association of Residential Care Homes, New Hampshire Health Care Association, and New Hampshire Hospital Association. These groups formed an alliance several years ago to pay tribute to the New Hampshire nursing assistants. Each year the sponsors solicit nominations from the state’s home care agencies, public and private nursing facilities, residential care homes and hospitals. Each organization selects one individual as “LNA of the Year” based on compelling stories of kindness and caring.



Laconia and Milford Home Care Executives Receive Board Appointment

At its annual meeting this summer, the Home Care Association elected Margaret Franckhauser, ARNP, MS, MPH, Executive Director of Community Health & Hospice of Laconia, and Liane Schubring, BSN, RN, MBA/MHA, CHCE, Executive Director of Souhegan Home and Hospice Care of Nashua and Milford to the Board of the statewide association.

In 2003, Ms. Franckhauser received recognition as “Nurse of Year” by the New Hampshire Nurses Association. She was also recently named to the Robert Wood

Johnson Executive Nurse Fellows program. The fellowship has a strong history of developing nurse leaders who work to improve the U.S. healthcare system.

Ms. Schubring brings 15 years experience in home and hospice care services and is certified as a Home and Hospice Care Executive by the National Association for Home Care & Hospice (NAHC). She also serves as advisory board member of NAHC’s Voluntary Homecare Association and Home Medical Equipment Association in Washington, DC.

“The dedication and commitment of Margaret and Liane to home care in New Hampshire and beyond is evident in their

accomplishments, and they’ll be valuable additions to our Board,” says HCANH Executive Director Susan Young.

Board officers elected for the coming year are President Andi Steel, Executive Director of Lake Sunapee VNA of New London; Vice



Association board members (seated left to right) Rick Petersen, Andi Steel, Marilyn Barba; (standing) Mary DeVeau, Margo Sullivan, Liane Schubring, Richard Skeels, Rachel Chaddock, Margaret Franckhauser, Carol Plumb; Peggy Terrasi (not present).

President Rachel Chaddock of VNA of Manchester & Southern NH; Treasurer Richard Skeels, CFO of Home Healthcare, Hospice and Community Services of Keene; and Secretary Carol Plumb, Executive Director of VNA of Franklin. Continuing on the Board are Peggy Terrasi, Executive Director of Pemi-Baker Home Health Agency in Plymouth; Mary DeVeau, Executive Director of Concord Regional VNA, Marilyn Barba, Executive Director of VNA/Hospice of Southern Carroll County & Vicinity; Rick Petersen, President of Interim HealthCare; and Margo Sullivan, Executive Director from Androscoggin Valley Home Care Services in Berlin.

Margaret Walker Receives Home Care Service Award

Margaret Walker, BS, RN, MBA of Northwood was recently honored with 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.

Since June of 2003, Margaret has served as Executive Director of the New Hampshire Board of Nursing. Previous to assuming this position, she managed the Board's registry for licensed nursing assistants. In her capacity as the leader of the state's regulatory body for the nursing profession, she has been instrumental in establishing a fair regulatory environment for nursing practice in all settings. She has also championed the critical role of the home health aide in today's healthcare delivery system. Recognized as a home care champion, "Margaret has made significant contributions to the state's healthcare system for the benefit of home care patients and providers alike," said Susan Young, Executive Director of HCANH.



All-Hazards Emergency Disaster Planning

Specialized Training for Home Care & Hospice

Past terrorist attacks in New York and Washington, D.C., episodes of anthrax exposure and outbreaks of SARS across the nation have demonstrated the need for a well-prepared healthcare workforce that can respond to a variety of public health emergencies. In response, Congress has put in place funding to help healthcare providers and their communities develop a systematic approach to achieve an effective and sustained public health response to emergencies of every nature.

Through a grant made possible from the Centers for Disease Control and Prevention's Cooperative Agreement with the State of New Hampshire, the Home Care Association is sponsoring a five-part fully-funded training series through April 2005 to help licensed New Hampshire home care and hospice providers achieve the following:

- Build organizational capacity to manage the effects of natural and man-made emergencies;
- Develop or update disaster management policies and procedures;
- Improve disaster training for staff;
- Control the negative effects of emergency situations;
- Identify infection breakouts and chemical agents; and



Education

Networking

Research

Leadership

Communications

Public Policy

- Improve relations with police, fire and other emergency workers.

For more information about these training programs logon to www.homecarenh.org/events.



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

www.homecarenh.org



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