

## Advisory Committee Recommends Payment Reform

### Long-term care providers need financial relief

At the end of the summer, the Long-Term Care Rate Advisory Committee presented its report to the New Hampshire Legislature. The report acknowledges that payment rates for all long-term care services—both residential and community-based—are inadequate.

economic viability of the State." During eight months of study, the committee received testimonies about the long-term care system's flaws and virtues. Every presenter underscored the common need for adequate reimbursement in order to preserve this essential safety net for some of the state's most vulnerable citizens.

**A historical perspective.** Government has funded or otherwise provided long-term care services to needy individuals since the early nineteenth century. Until the first significant healthcare reform movement in 1967 and the introduction of Medicaid, public long-term care programs were funded locally by cities, towns, and counties. Federal law mandates the federal-state ratio for Medicaid provider payment, whereas state law establishes the

*Current Medicaid payments do not cover costs to deliver related services.*

*Advisory Committee continued on page 2*

### Contents

1 Advisory Committee Recommends Payment Reform

1 Center Harbor Nursing Assistant Honored

3 Gilmour Recognized for Lifetime Achievements

4 Medicare Reimbursement Relief Sought by Home Care

Legislators, long-term care providers and consumers were invited to the table in January 2002 to explore the question of reimbursement for services ranging from nursing home care to home health and adult day services to meals-on-wheels. Lead by Senator Carl Johnson, who sponsored SB 167 in 2000, the legislation that created the committee, the group articulated as its goal "to promote personal responsibility but also provide adequate care to those most in need without jeopardizing the

## Center Harbor Nursing Assistant Honored



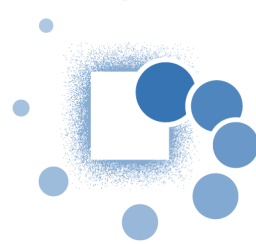
(l-r) Peg Gilmour, HCANH President, Bonnie Turcotte, Home Care Nursing Assistant of the Year, and Maryellen LaRoche, Executive Director of Carroll County Health and Home Care Services.

### Front-line caregiver recognized

Earlier this summer, the Home Care Association of New Hampshire chose nursing assistant Bonnie Turcotte of Center Harbor, as Home Care Nursing Assistant of the Year. The award was presented at a celebration on the State House lawn.

Each year the Home Care Association and other New Hampshire healthcare trade associations honor outstanding licensed nursing assistants working in home care agencies, hospitals, residential care homes and nursing facilities throughout the state. Many other nursing assistants were recognized locally and honored as well. These compassionate individuals are the front-line caregivers who offer care and support daily to New Hampshire's sick, elderly, and disabled residents.

*Center Harbor continued on page 4*



Message from  
the Executive Director  
**Special thanks during National Home  
Care & Hospice Month**

Dear Friends of Home Care:

The events of the past year have caused most of us to become more aware of the contributions of those with whom we live and work. We try to recognize not just the big events, but also the day-to-day actions, the commitment and reliability of the people who make our lives easier in some way. Home care workers—nurses, nursing assistants, therapists, homemakers, and companions—are individuals with a mission. That mission is to help people of all ages recuperate and thrive at home. The administrative and management support staff of home health agencies share that mission too, working behind the scenes to make home care succeed on the front lines.

There are many reasons why caregivers, especially nurses, go into home care as opposed to other healthcare settings. Those reasons include job flexibility and its convenience to set their own hours, assessing and coordinating care for each person in their own environment, building relationships with clients, spending more time with them and seeing the outcome of their efforts, and feeling valued and making a difference.

During National Home Care and Hospice Month, we urge you to offer your own thanks to those delivering home care and hospice support throughout New Hampshire.

Best wishes,  
Susan M. Young  
Executive Director

Advisory Committee continued from page 1

framework for responsibility of its state portion (within certain federal guidelines). Currently, the federal-state provider payment ratio is shared equally at 50 percent. Today the state's Medicaid non-federal share is split between county (25%) and state (25%) government, as established by SB 409 in 1999. Prior to SB 409 counties shared the cost of nursing facility care only; SB 409 expanded the county funding responsibility to encompass community-based and mid-level (residential) care. This state/county split is scheduled to sunset on July 1, 2003, and will be addressed in legislation during the 2003 session.

Some long-term care services are not funded by Medicaid, or receive only minimal support from that source. These services, such as transportation, home-delivered meals, and adult social day care programs, rely on state grants and other federal funds, such as the Title XX Social Services Block Grant and the Title III Older Americans Act. The committee considered the reimbursement structure of these programs as well during their research.

**The home care story.** Home care agencies cite as the major source of their financial hardships the State's failure to adjust Medicaid home care rates annually as mandated by state law. The State last adjusted these rates in 1999, and those revisions were the first in ten years for most home health services. Current Medicaid payments do not cover costs to deliver related services. In fact, providers suggest that on average Medicaid pays only

30 to 85 cents on the dollar for its services. Among the factors driving provider costs include:

- The workforce shortage in nursing and other direct care positions, and the increased employee wages and benefits necessary to attract and retain quality staff;
- Rising insurance premiums and utility costs;
- Inflexible and burdensome regulatory systems;
- Stable or declining charitable giving which previously helped defray expenses; and
- An ever-increasing elderly and frail population.

Medicaid dollars will be insufficient to fund needs in the future, as baby boomers age and seek long-term care for themselves.

Each of these factors contribute to operational hardships and strain service provider resources. As a result, home care providers and others shared with the Committee their concern that the availability and quality of long-term care are in jeopardy because resources are stretched to their limits.

Rick Peterson, president of Interim Healthcare, represented home care agencies on the Rate Advisory Committee, along with Margaret Franckhauser, executive director of Community Health & Hospice in Laconia. Petersen described his experience with the group favorably. He commended the participants for their hard work and keeping consumer interests at the forefront of their discussions. "The group truly wants to do what's right," he said. "And recognizes there is not enough money in the current system to do the job. The status quo is no longer an option without short-changing the quality of care our communities demand."

Advisory Committee continued on page 3

## Gilmour Recognized for Lifetime Achievements



### Past HCANH President retires

Margaret Gilmour of Hollis was recently awarded the Home Care Service Award presented each year by the Home Care Association of New Hampshire to an individual who has made significant contributions to home care in the state through work in education, research, advocacy or leadership.

As outgoing HCANH president and retiring chief executive officer of Home Health and Hospice Care in

Nashua, Peg has been a leader at the community, state, and national levels for many years. She has been active with the New Hampshire Hospice and Palliative Care Organization, a founder of the state's second hospice house in Merrimack, and has served on the Board of the National Hospice Organization. Currently, Peg is co-chair of the Partnership for End-of-Life Care, a project of the Foundation for Healthy Communities.

*Advisory Committee continued from page 2*

**Committee recommendations.** In its final report, written under the leadership of Rep. Rogers Johnson, the Advisory Committee asserts that Medicaid dollars will be insufficient to fund needs in the future, as baby boomers age and seek long-term care for themselves. To reduce the future demand, the committee suggests educating individuals and families about less-costly long-term care alternatives (i.e., in-home care, assisted living), closing Medicaid eligibility loopholes, and creating individual and employer-based incentives to purchase long-term care insurance. In addition, the Committee report includes the following recommendations:

- Establish fair reimbursement for Medicaid intermediate supports (i.e., home and community-based providers), nursing home providers, and other non-Medicaid social service providers in order to create and grow alternative long-term care options across the state.
- Address the state/county cost-sharing arrangement.
- Implement a feasible acuity-based reimbursement system across othe

community-based care systems. (Acuity-based rates allow different payment levels for varying levels of client services.)

And unrelated to the Committee's rate-setting charge, it recommends:

- Continuous financial support for ServiceLink, a statewide consumer referral program.
- Creation of incentives and other rewards to address the chronic nursing shortage.
- Collection of medical outcomes data to guide the State's healthcare decision-making.
- Passage of legislation to establish tax credit for individuals and employers that provide long-term care insurance.
- Re-prioritization of the Medicaid payment system to focus on Medicaid cost controls and quality of care.

The challenge facing the Legislature, and indeed the state as a whole, is

how to achieve and finance a responsible, accessible long-term care system that is responsive to the needs and desires of consumers and incorporates a reasonable payment structure for providers of care. "The best thing about the committee," concluded Margaret Franckhauser, "is that ALL the significant players were at the table and had their say. And that key legislators like Rep. Johnson and Senator Johnson gained an

appreciation of the complexity of the Medicaid reimbursement issues providers face."



Another legislative study committee was created by HB 1182 during the 2002 session to study the progress made in shifting from institutional to community-based long-

term care. That committee's report on the impact of SB 409 and its recommendations for future action will be completed by the first of November. We'll report on its findings in the next issue of Homefront.



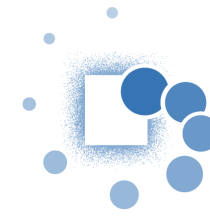
## Medicare Reimbursement Relief Sought by Home Care

### Senators act to prevent destabilization of home care

In September the nation's leading home care trade associations, including the National Association for Home Care, organized a Lobby Day on Capitol Hill to call attention to Medicare cuts scheduled to take effect October 1, 2002. Earlier this year New Hampshire Senators Judd Gregg and Bob Smith had called for elimination of the 15% cut in home health payments which was mandated in the Balanced Budget Act of 1997 (BBA). With Congress preparing for the fall recess, last minute action was again needed to push the issue forward. In late September Senator Gregg signed on to a letter authored by Senator Susan Collins (R-ME) urging the Senate Finance Committee to act on the home health cut and to extend a rate "add-on" that

affects agencies in rural counties. Since 1997 when the Balanced Budget Act was passed, the number of home care agencies nationwide has fallen by more than 3,500 or 34 percent, and reimbursement per patient fell by 38 percent.

As this newsletter goes to press, the Senate Finance package including the home health relief measures has been put before the Senate. If passed, concurrence with the House will be needed. In the meantime, the payment cut has gone into effect as scheduled on October 1. If the payment cut is rescinded, it is expected to be at least six months before the reductions will be restored and providers compensated for the lower rates now in effect.



Education

Networking

Research

Leadership

Communications

Public Policy

*Center Harbor continued from page 1*

Bonnie stands out among all home care licensed nursing assistants commended this year. She has made significant contributions to the clients she has served for more than 16 years through Carroll County Health and Home Care Services (CCHHCS) of Ossipee. And not only is Bonnie recognized for the compassion and quality services she delivers to her clients, she is also acclaimed for advocating on behalf of New Hampshire residents. Maryellen LaRoche, RN, MSN,

Executive Director of CCHHCS describes Bonnie as a "home care ambassador who advocates in her community (as well as statewide) and believes strongly that quality home care services provided by home health agencies are essential and important services." Bonnie is a role model for her peers and individuals aspiring to become licensed nursing assistants.



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. With 38 member agencies, 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).



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