

Homefront

THE NEWSLETTER OF THE HOME CARE ASSOCIATION OF NEW HAMPSHIRE

Summer 2009

FROM THE Executive Director



THE ECONOMY HAS TAKEN CENTER STAGE for many months now, and the economic forecast for home care has become grimmer as state and federal budgets are crafted. For home health agencies, underwriting state programs has been a way of life for decades. But the ability of agencies to continue to provide skilled care while being paid by Medicaid less than half of the cost to provide it has been eroded by increasing business expenses, decreasing reimbursements from other payers such as Medicare, and decreasing municipal and charitable support. We project that by the end of 2011, most non-profit home health agencies will have operating deficits; many are in that position already. For home health to be accessible statewide for all who need it, the voices of patients, caregivers, providers and advocates must be heard in Concord and Washington.

In this expanded issue of Homefront, we cover a lot of important topics: "Help Us Choose Home" is a nationwide outreach and awareness campaign on the importance of home care; we address the proposed cuts to home care in President Obama's budget proposal; we share recent research findings which confirm home care saves Medicare billions of dollars; and on the local front, we provide an update on state legislative issues and celebrate several special home care people. You'll also hear from Gloria Wade, a patient of the Rochester District VNA, on why home care is important to her.

We ask you to take time to read this issue carefully, take action, write your state and federal legislators, and ask them to preserve access to home healthcare services. The effort will require all of our voices.

Susan Young
Executive Director
Home Care Association of New Hampshire

President Obama's Budget Proposes to Cut \$13B from Medicare Home Health

THE HOME HEALTH INDUSTRY NOW FACES ITS DEEPEST CUTS YET



Over the past six years New Hampshire home health agencies have experienced a number of reductions in Medicare reimbursements. And, with Medicare representing 60-80 percent or more of the revenues of those agencies that participate in the federal insurance program, these losses have been difficult to absorb. Now the home health industry faces its deepest payment cuts yet: a proposed \$13 billion over five years is proposed in President Obama's budget presented to Congress in May. Medicare home health rates are actually LESS today than they were in 2001 despite increases in expenses, and the Administration would freeze payment levels through at least 2011. Additional reductions to help finance

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2009 Home Care Service Award:



MARY K. DEVEAU,
PRESIDENT/CEO,
CONCORD REGIONAL
VNA

The Home Care Association presents an annual award to an individual who has made a significant contribution in

home health care. This year the award went to Mary B. DeVeau, President/CEO, Concord Regional VNA.

Mary's passion is to develop and strengthen community relationships to foster collaborative initiatives in order to further strengthen home care in New Hampshire.

She has been a tireless advocate for home care in Washington on behalf of New Hampshire agencies. In addition, her leadership and mentoring have helped to advance the quality of, and access to, pediatric home care in the state.

President/CEO of Concord Regional VNA since 1997, Mary was recently elected to the Board of the Visiting Nurse Associations of America (VNAA). She is also on the Board of Directors of the VNA Health System of Northern New England, New England Life Care, the Community Provider Network of Central NH and the Greater Concord Chamber of Commerce. She ended a six-year term on HCANH's Board of Directors in 2008. 🌟

CEOs of member agencies of the Home Care Association of New Hampshire met recently with Congressman Paul Hodes to discuss federal policy issues affecting home health and healthcare reform. New Hampshire home health providers believe the reductions in Medicare home health reimbursements being considered by Congress would have a serious negative impact on the state's home health patients. Those payment reductions as outlined in the Obama Administration's proposed budget total an estimated \$13 billion over five years nationally, \$59 million in NH.

The HCA/NH member organizations:

- Recommend the full Market Basket Update for home health payments and a rescinding of the regulatory reductions known as the "case mix creep adjustment."
- Recommend the establishment of stability and equity among Medicare health providers in the application of the wage index.
- Promote the permanent reinstatement of the reimbursement add-on for care delivered to rural patients, since it is more costly to provide home health services in rural areas.
- Promote the establishment of a chronic care management benefit under Medicare. Statistics show that most individuals receiving care under the Medicare home health benefit have at least one chronic condition and that home health professionals are best suited to manage that care.
- Reject bundling of home health care payments into hospital or other provider payments, because this would severely compromise quality and availability of home health care for Medicare beneficiaries.

"Home care is cost efficient, clinically effective, and preferred by patients and their families," said Susan Young, executive director of the Home Care Association of New Hampshire. "Without adequate reimbursement, the homecare infrastructure that

Home Health Care CEOs Meet With Congressman Hodes

this nation desperately needs as our population ages is in serious jeopardy."

The meeting with Congressman Hodes took place on June 1 at the new headquarters of Concord Regional Visiting Nurse Association at 30 Pillsbury Street in Concord. 🌟

CONGRESSMAN PAUL HODES MET WITH MEMBERS OF GRANITE STATE HOME HEALTH ASSOCIATION, INCLUDING (L TO R): SUSAN YOUNG, DIRECTOR OF THE ASSOCIATION; CONGRESSMAN HODES AND HIS ASSISTANT, JENNIFER PERKINS; LUCY SAIA, HOME HEALTH AND HOSPICE CARE; BARBARA DUCKETT, HOME HEALTHCARE, HOSPICE & COMMUNITY SERVICES; AND MARY DEVEAU, CONCORD REGIONAL VISITING NURSE ASSOCIATION



Budget Proposal

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healthcare reform at the national level would result in Medicare home care rates in 2011 that are 12% less than the Medicare rates in 2001.

"Home care is cost efficient, clinically effective, and preferred by patients and their families," says Karen Baranowski, CEO of Home Health & Hospice Care in Nashua and president of the Home Care Association of New Hampshire. "These proposed cuts serve only to hobble the home care infrastructure that this nation desperately needs as our population ages."

TROUBLING FINANCIAL IMPLICATIONS

Brad Borbidge, CPA and Principal of Brad Borbidge Professional Association, has been preparing cost reports for and auditing Visiting Nurse Associations across New England for more than 30 years. According to Borbidge, the prospects for New England VNAs have never been this dire.

The financial implications, based on the 52 freestanding VNAs he audits in five New England states (excluding Connecticut), will be a reduction of \$14 million in 2010 and an additional reduction of \$30 million in 2011. The cuts will translate to an eight percent bottom-line loss for VNAs. "No business can sustain this deep a loss," states Borbidge. "If Washington believes there are excess profits in the home care industry, it needs to address the problem with those agencies that selectively provide services only to those patients that generate profits. An across-the-board cut to all providers is a simple answer to a complex problem, and only serves to weaken the agencies that accept all patients needing care."

If the cuts go through, home health agencies that currently provide services to all patients regardless of the patient's ability to pay the full cost of services will no longer be financially able to do so. They will be forced to say "no" to patients whose reimbursement does not cover the cost of services. The hardest hit will be the Medicaid patients. Currently, the NH Medicaid program reimburses home care services at roughly 40-60 cents for each dollar of care provided.

UNDERMINING GOALS

President Obama has asserted his goal is to provide all Americans equal access to healthcare, however, the proposed cuts will undermine this goal. "All of a sudden, those with access to home care won't have it," adds Borbidge. Without access to home care services, these patients will end up in the emergency room and may be admitted to hospitals. "The end result of the proposed cuts will be the exact opposite of President Obama's goals—there will be home care access problems where there are none now, and the cost of health care will increase."

To communicate on this issue with the New Hampshire Congressional Delegation, visit the Legislative Action Center on the Home Care Association website: www.homecarenh.org.

Fall Education Calendar

SEPTEMBER 9, 2009:

PPS Billing for Medicare HHAs

Melinda Gaboury of Healthcare Provider Solutions, Inc. Holiday Inn, Concord

SEPTEMBER 23, 2009:

ICD-9 Coding — Intermediate

Sparkle Sparks of OASIS Answers, Inc. Holiday Inn, Concord

SEPTEMBER 24, 2009:

ICD-9 Coding — Advanced

Sparkle Sparks of OASIS Answers, Inc. Holiday Inn, Concord

OCTOBER 28-29 2009:

Blueprint for OASIS Accuracy — OASIS B1 & OASIS C

OASIS Answers, Inc. Best Western, Portsmouth

OCTOBER 30, 2009:

OASIS Certification Exam

Best Western, Portsmouth

NOVEMBER 12, 2009:

Wound Care Conference — Managing Ostomies & Fistulas

Grappone Conference Center, Concord

For further details, please visit <http://www.homecarenh.org/events/workshops.php>

LEGISLATIVE UPDATE

THE STATE OF
HEALTHCARE LEGISLATION
IN THE STATE HOUSE • 2009

Granite State Home Health Association (GSHHA), the government relations arm of the Home Care Association, has followed a number of bills and issues in the 2009 session, in addition to the state budget debate. Here's the current status of a number of our priorities.



to support future decision-making on health care reform. In its current form, the bill requires that data be submitted to the state by hospitals, health care providers employed or legally controlled by a hospital, hospital-owned physician practices,

and federally qualified community health centers. Home health agencies that are part of or legally controlled by a hospital will have to report data through the hospital with which they are affiliated. GSHHA withdrew opposition to SB 147 as its scope was narrowed, yet continues to believe that the service mix of home health agencies is such that this bill will impose a significant burden on reporting agencies to produce very little relevant data. It is often true that proposed legislation is more burdensome or less appropriate for home health agencies than for other healthcare providers since home health agencies are not “bricks and mortar” facilities and since the service mix is unique. GSHHA hopes legislators will consider these differences when deliberating bills like SB 147.

HB 1 & HB 2: State Operating Budget — A Work in Progress

As of this writing, legislators seem to agree with Health & Human Services Commissioner Nick Toumpas that Medicaid reimbursement rates cannot be reduced without seriously harming the fiscal viability of many providers and diminishing access to care for Medicaid patients, and, rate cuts do not appear to be on the table. Most home health services are paid at rates well below the cost to deliver care, however, so the failure to see any rate increases for the next two years may still lead to decreased access.

SB 42: Medicaid Hospice Benefit

Senator Peggy Gilmour filed a bill to create a committee to study adding hospice to the Medicaid state plan. After analyzing the likely cost of this benefit, and the cost savings hospice generally delivers in the last weeks of life, the Department of Health & Human Services proposed that the state move forward to implement a Medicaid hospice benefit in SFY 2011. The House adopted this change, and the revised bill awaits concurrence by the Senate.

SB 138: Telemedicine

SB 138, a bill to mandate insurance coverage for telemedicine services, was filed by Senator Kathy Sgambati. GSHHA strongly supports this bill provided the definition of telemedicine continues not to exclude the coverage of home telemonitoring, an effective tool for the management of chronic conditions.

SB 147: Collection of Data on Health Services Provided to Uninsured


SB 147, a well-intentioned bill sponsored by Senator Maggie Hassan, seeks to collect individual (but de-identified) information regarding specific health services provided to the uninsured in New Hampshire

New Long-Term Care Caucus Formed

A group of House members led by Representative Kate Miller has joined together to form a long-term care caucus, and is currently meeting on a monthly basis. The group formed after the House Health, Human Services & Elderly Affairs Committee decided to retain HB 380, relative to long-term care, and after the House killed SB 62, which would have established a commission to study creating a statewide plan for addressing Alzheimer's disease and related dementias in New Hampshire.

Good News On The “Killed Bills” Front

A number of key bills opposed by GSHHA are already dead. These include:

- HB 103, relative to paying discharged and laid off employees
- HB 146, relative to the minimum wage
- HB 203, regarding unanimous findings of screening panels in medical injury actions
- HB 359, requiring invoices to state the portion of payment covering costs of uninsured
- HB 400, relative to reimbursement rates for personal care providers
- HB 580, relative to privacy of medical records 

Home Health and the Management of Chronic Care

MEDICARE IN NEED OF A CHRONIC CARE MANAGEMENT BENEFIT STRUCTURE

As indicated by the statistics in the accompanying sidebar [Chronic Conditions], most individuals currently receiving care under the Medicare home health benefit have at least one chronic condition, and their acute care needs are frequently related to their chronic illness.

However, because the chronically ill population requires different services and supports than are currently covered under the traditional benefit structure of Medicare, a chronic care management benefit should be established under Medicare to meet this population's needs.

EFFECTIVE MANAGEMENT BEGINS AT HOME

While the current consideration of a "medical home" model is encouraging and has merit, it fails to recognize that effective chronic care management takes place in the patient's home, and that home health professionals are best suited to manage that care.

The National Association for Home Care and Hospice (NAHC) has outlined the following principles to guide creation of this benefit:

NAHC CORE PRINCIPLES

Chronic care coordination should incorporate:

- An interdisciplinary team approach to care management that includes physicians, nurses, therapists, medical social workers, and pharmacists;



- Evidence-based care plan development;
- Direct patient care services in the home setting;
- The application of telehealth services for appropriate remote monitoring as needed by the individual patient;
- Care counseling, care coordination, medication management, and oversight of services related to activities of daily living;
- The use of interoperable electronic health care records and efficient electronic-based communication tools;
- Patient education and support; and
- Integration and support of informal caregivers such as family members.

In addition, the program should be initially implemented on a pilot basis with authority provided to Medicare to extend the services, and reimbursement for the services should be on a shared risk basis wherein partial payment is made to the provider for certain direct-care services with additional payment based on demonstrated Medicare savings. 🌐



Chronic Conditions Drive US Healthcare Spending

- **Of the entire U.S. non-institutionalized civilian population** over age 18, 21.6% have one chronic condition, and 38.2% have two or more chronic conditions. Among those aged 65 and older, 14.9% have one chronic condition, and over three-quarters, 76.6%, have two or more chronic conditions.
- **As a percentage of total health care expenses** by age group that were attributable to people with chronic conditions, 63.3% was for those with chronic conditions in the 18 to 34 population; 88.4% was for those with chronic conditions in the 35-54 population; 95.8% was for those with chronic conditions in the 54-64 population; and fully 98.8% was for those with chronic conditions in the 65 and older population.
- **Not surprisingly, most of the costs stem from patients with two or more chronic conditions.** For example, among the 65 and older population, average expenditures per person with one chronic condition were \$2,052, while the average expenditures per person with two or more chronic conditions were \$5,966.

Source: AHRQ Division of Statistical Research, as reported in NAHC Report, May 20, 2009

“Help Us Choose Home”

HOME CARE AND HOSPICE MUST MOVE TO THE FOREFRONT OF HEALTH CARE IN AMERICA

Deep cuts to home care and hospice payments have been outlined in President Obama's 2010 budget proposal and are being considered among the sources of funds to “pay for” major health care reform initiatives. “As healthcare reform legislation is considered, much of the attention seems to be focused on drug costs, physician and hospital payments, and other big price tag components. Home health and hospice are often forgotten segments of the healthcare delivery system in America,” states Susan Young, executive director for the Home Care Association of New Hampshire. “Most people don't think about home care until they need it. We are asking people to learn more about home care and to act now to protect this vital component of our healthcare system.”

Help Us Choose Home is a new public information campaign

designed to do just that. Launched by the National Association for Home Care and Hospice (NAHC) in partnership with state home care associations across the country, the campaign is intended to make sure that policymakers and the public understand the value of home care and hospice, which stand to deliver significant savings when used to maximum benefit. *[see related article, Home Healthcare Saves Billions for Medicare, on pg 8.]*

REAL COST SAVINGS

Seventy-eight million Baby Boomers are on the verge of retirement, a cohort that research shows will experience higher rates of chronic illness. Home healthcare is becoming recognized as the most efficient and cost-effective way to manage those conditions. *[see sidebar “Chronic Conditions” on pg 5.]*

Here's a sampling of the cost savings home health has been delivering:

- The average hospital stay costs Medicare \$1,500 a day, while the average home care visit costs just \$150 a day.
- Providing home care to a child with cancer will lower their medical costs by nearly \$14,000 a month.
- Adults who are dependent on ventilators will spend more than \$21,000 on hospital costs a month. Those who receive home care will spend about \$7,000.

THE CAMPAIGN WEB SITE

HelpUsChooseHome.com features a music video, along with various other tools, talking points and resources for everyone involved with home care and hospice—caregivers, providers, their patients, families and friends. “The web site is a great resource to take this message to the next level and establish a real grassroots community support of home care and hospice across the country and in NH as well,” adds Young. “Home healthcare is the best strategy to support Granite Staters after an illness, injury or surgery, and the best way to maximize the independence of older residents and disabled persons of any age.”



Home Health LNAs Honored During 2009 NH Nursing Assistant Day

BACK ROW: ELIZABETH AUSTIN, GRACE MCGINNIS, FRAN LEFEBVRE, SARAI CHAPMAN, JENIFER RUDGERS, JOELLEN RICARD

MIDDLE ROW: MARY DISCHINO, KATY HALVORSEN, SHARON LANG-SWEETSER, JOANNE BENOIT, RHONDA BEAN

FRONT: LARAINÉ STROBEL

(ABSENT FROM PHOTO: MARY HOELL, JEAN HODGKINS)

New Hampshire RN Nikki Smith Among Nurses Urging Lawmakers in Washington to “Help Us Choose Home”

Home healthcare nurses from all 50 states brought their heartfelt stories to the U.S. Capitol on May 14th to speak on behalf of the millions of patients they care for. Their message to lawmakers: block the \$13 billion the Obama Administration proposes to cut from home health reimbursement payments over five years. The hearing was held before members of the House Home Health Working Group, co-chaired by Congressmen Jim McGovern (D-MA) and Walter Jones (R-NC).

Nikki Smith, an RN at Rochester District VNA, shared the story of one of her patients, Mrs. Gloria June Wade, an 84 year old woman living alone in Middleton with congestive heart failure. Mrs. Wade wrote this message to lawmakers:

I have come under the care of Rochester VNA on two separate occasions. I have had problems with congestive heart failure (CHF) in the past couple of years and the VNA has been helpful in teaching me about CHF, monitoring my weight, and making better food choices so I can be aware if I am getting into a problem. This prevents me from going back into the hospital, which I know all too well is very costly.

I have been a widow for the past 5 years; I live alone and no longer drive. I now have to depend on my family or friends for my transportation to my doctor appointments. I am so thankful that I also have VNA services to come to my home and assist me when needed ... I truly wish to remain independent and remain in my home as long as I am capable, which so far, so good. But when an accident happened and I needed some help, it was comforting to



GLORIA JUNE WADE

know that I could return home and continue some quality of life which, as many who are my age know, the golden years are not so golden sometimes.

I sincerely hope that it will never be necessary to discontinue homecare. I pray you will search your hearts and ask yourselves, “Is this what I would want for a member of my family.” As the younger ones today have to work so hard to make a living and then care for us older ones, it puts a strain on all of us and having VNA services lets us hold on to our dignity and keeps us out of the hospital and nursing homes. I pray that going to a nursing home is never an option for me. I do want to continue to live in my own home and take care of my own needs.

With VNA services we can stay home. I humbly ask you all for consideration on this matter and remember there are many people's lives that are severely affected by your decision.

Home Care Association Recognizes Frontline Caregivers

LARAIN STROBEL,
HOME CARE LNA
OF THE YEAR



Fourteen home health aides were among 85 licensed nursing assistants recognized at the annual New Hampshire Nursing Assistant Day. The event was established ten years ago to celebrate the work of LNAs who compassionately and selflessly devote their lives to the care of others, and improve the quality of life for the individuals they care for every day. The event took place on the State House lawn in Concord on June 4, 2009, and Governor John Lynch issued a proclamation in honor of the event.

The Home Care Association of New Hampshire named Laraine Strobel, of Charlestown, Home Care Nursing Assistant of the Year. Strobel, an LNA with Connecticut Valley

Home Care & Hospice (CVHCH), personifies the qualities of loyalty, dedication, and care. “Caring about others first has always come naturally for Laraine,” states Mary Schissel, RN with Connecticut Valley Home Care & Hospice. “Even after 29 years, she still receives each and every new client and their family as if they were her first, making everyone feel special. Her ability to calm patients eases their pain and calms their souls. For each of her 29 years, Laraine has exemplified Nursing Assistant of the Year,” adds Schissel.

This event is sponsored by HCANH, NH Hospital Association, NH Health Care Association, NH Association for Counties and NH Association for Residential Care Homes.

New Report: Home Health Care Really Does Save Billions For Medicare

Early use of home health care services following a hospital stay by patients with at least one chronic disease saved Medicare \$1.71 billion in a recent two-year period (2005-2006), according to a study released by Avalere Health LLC.

The study, sponsored by the Alliance for Home Health Quality and Innovation (AHHQI), also found that an additional \$1.77 billion would have been saved in the same period if all Medicare beneficiaries with similar chronic diseases had accessed home health care services.

Approximately 12.7 % of the savings is attributable to reductions in hospital readmissions, and it is presumed that the remaining

savings accrue from avoiding more costly institutional settings. AHHQI believes that the unrealized savings identified in this study could allow Medicare to save \$31.1 billion over the next ten years by expanding access to home health for chronic disease patients.

The study population included Medicare beneficiaries with a primary or secondary diagnosis of diabetes, chronic obstructive pulmonary disease (COPD), or congestive heart failure (CHF) – chronic medical conditions that represent large costs to the Medicare system.

Significantly, 86% of people who qualify for Medicare have at least one chronic condition and 40% have three or more. But only



8.9% of Medicare beneficiaries currently use home health services, a fact attributed in large part to the program's requirement that an individual be "homebound"—unable to leave the home without significant assistance—in order to receive the benefit. AHHQI believes that expanding the availability of home health care services for people with chronic conditions within Medicare would yield even greater savings to our health care system.

The full report is available at <http://www.ahhqj.org/>.

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