

February 2009

On the Edge

Unprecedented
State Budget
Cuts
Threaten
NY's
Home Care
System

Inside:

- *HCA – your home care resource*
- *State Budget's double threat to home care*
- *Recognizing the exceptional service of caregivers*
- *New study on home care fiscal condition*
- *Patients and providers share their stories*

A Report From

**THE HOME CARE ASSOCIATION
OF NEW YORK STATE**



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State Budget Proposals Endanger NY's Home Care Delivery Innovations

Dear Friend of Home Care:

The **Home Care Association of New York State** represents 400 mission-driven home care agency providers, organizations and individuals that are intensely committed to preserving, protecting and enhancing the availability of quality home care services in New York State.

New York's home care system is one of the most innovative in the nation, using new models of service delivery to meet the needs of not only the post-acute patient who is home from a hospital stay, but also the chronically ill and medically fragile patient.



Home care today in New York State is technologically-based, case-managed, and provided by an array of skilled clinicians and personnel. Many of today's home care patients would have formerly **not** been home receiving treatment. Patients would have stayed longer in a hospital bed or would have been permanently placed in a nursing home or other skilled facility.

One reason for our state's creative approaches to expanding and building up the home care structure is the recognition that with the right care plan and clinicians matched to a patient's needs, patients can recuperate and rehabilitate safely at home – where they want to be.

This year, New York's home care structure and system is facing an assault that, if not repelled by the Legislature, could lead to dire consequences for this important part of the health care continuum. The nearly **half billion dollars in funding cuts** and reductions that are included in the Governor's proposed Executive State Budget would decimate the home care system, and cause lasting and irreparable damage (see p. 4).

In response, HCA has launched a fierce advocacy campaign, using data and policy analysis, the expertise of our HCA Board of Directors, our Albany contract advocacy firm Wilson, Elser, Moskowitz, Edelman and Dicker, and our dedicated membership to fight against the Governor's proposed State Budget cuts.

HCA also strongly believes that any federal Medicaid relief included in the federal stimulus package must be used to offset the devastating cuts to the health care sector, including home care (see p. 7). It is the right thing to do.

Along with the cuts, the Governor's budget proposal also includes untested, far-reaching – and, in some cases, reckless – structural changes to the home care system that would also cause dislocation of services and a loss in the availability and continuity of care for patients. HCA's analysis indicates that several of the proposals would severely diminish or even eliminate access to care in areas of the state (see p. 12). HCA supports thoughtful reforms that would create efficiencies and enhance services and the overall functioning of the system and has worked to develop alternative ideas to achieve these goals, while saving Medicaid dollars (see p. 11).

Finally, the provision of high quality home care services would not be possible without the dedicated staff who devote their life's work to serving the needs of patients. No health care worker is more dedicated than the unique, caring individuals who choose home care as their passion. Included in this publication are testimonials about the home care heroes who, day in and day out, not only serve the needs of patients with finesse, skill and empathy, but go the extra mile to demonstrate the human touch of home care.

Thank you for reading this publication and for your interest in learning about the value of home care as a critical part of the health care system. We are depending on your interest and active support to assure that New York State's home care system remains strong and viable.

Sincerely,

Joanne Cunningham
HCA President

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HCA: Your Home Care Resource

The Home Care Association of New York State (HCA) represents approximately 400 health care providers, organizations and individuals who collectively provide or advocate for the provision of home care services to thousands of New Yorkers.

Since its founding thirty years ago, HCA has committed itself to the principles of high-quality and cost-effective community-based health care, assisting with program development and operations, as well as state and federal policy, regulation and reimbursement issues, with the aim of enabling providers to meet the needs of the individuals and communities they serve.

We also interact with state and federal policymakers and legislators to provide technical support or input and to work collaboratively on solutions related to home care policies and the delivery of home care services.

We invite you to consider HCA as your main resource for all matters related to home care policy and practice in New York State.



To learn more about HCA, please take a moment to visit our website at www.hcanys.org. On our site, visitors can locate home care provider agencies by county, read HCA press releases and position papers, learn about HCA educational programs and events, and find out more about home care policy in New York State. ■

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What is Home Care?

Home care encompasses a broad spectrum of health and social services delivered at home to persons who are disabled, chronically ill or recovering from an illness or have other health-related needs that can be met in a home setting. These include the traditional core of professional nursing and home care aide services, as well as physical therapy, occupational therapy, speech therapy, medical social services and nutritional services and a host of other support services, including home telehealth care.

Patients receiving home care include: newborns and mothers eligible for maternal-infant care services; young children and adults in need of at-home therapy or advanced technology-based care and support; elderly patients who benefit from the services of a skilled nurse to help treat chronic medical conditions; patients receiving wound care following surgery; or New Yorkers with disabilities who may be homebound and require assistive services to meet activities of daily living, such as feeding, bathing, and other forms of self care. These are just some of the many varied circumstances for which elderly, medically-frail and disabled patients suffering from chronic and post-acute health conditions seek care at home.

Home care services are supported from various payment sources including Medicare, Medicaid, private pay, private insurance, health maintenance organizations (HMOs), the Veterans Administration, workers' compensation and social services organizations.

Learn more at www.hcanys.org. ■

HOME CARE

Cost-effective Care Provided to Patients at Home

An Alternative to Facility-based Care & Focused on Patient Quality of Life

Home Care on the Curve

❖ All signs point to the growing **value** of home care in New York State.

More and more patients prefer the option of receiving care in the healing environment of their own homes rather than in a facility-based setting. This is especially true as our state and nation's senior population grows, and as home care continues to demonstrate its efficiency and effectiveness in the rehabilitation, care and maintenance of patient health at home.

Meanwhile, new advances in health treatment and technology have made in-home health care services an increasingly viable choice for patients with a broader array of health conditions, from post-acute to chronic needs.

Unlike institutional care – where services are provided in a hospital or nursing home – home care transcends the fixed “bricks-and-mortar” of the facility setting. A home care agency's infrastructure is not delineated by wards, floors, or patient-care wings. People, rather, form its building blocks – the traveling nurses, home health aides, therapists and other clinical staff whose caring presence and skilled hand in the patient's home help manifest the patient care environment.

From post-acute services that shorten a hospital stay, to long-term care in lieu of nursing home admission, home care is uniquely prepared to meet a community's health needs.

Responding to state-level policies, home care also continues to play a pivotal role in meeting service needs that arise from policies and mandates to shrink hospital and nursing home capacity in New York, including those actions required by the New York State Commission on Health Care Facilities in the 21st Century (also known as the Berger Commission).

And with the New York Medicaid-reimbursable cost of nursing home construction running between \$216,000 and \$432,000 per bed in 2009*, programs such as New York State's innovative Long Term Home Health Care Program (LTHHCP) also help avert new capital costs while meeting demand for long-term care needs.

Home care also fulfills a critical niche within statewide emergency preparedness efforts, as state and local planners rely on intelligence and assistance from the home care community in efforts to contact and reach vulnerable homebound, disabled and elderly New Yorkers during a natural disaster, blackout or other emergency situation. (See related story, p.8.)

Innovative home health technology has significantly aided in home care's promise to serve patients better and more

efficiently. In fact, New York home care providers are leading the way nationally when it comes to applying technology in the clinical setting for remote patient monitoring through data links or direct video feeds that allow for “virtual” home visits. Home telehealth, as the technology is called, provides an important supplement to routine, scheduled home health patient encounters. In 2007, HCA developed legislation establishing telehealth as a new home care component within Medicaid. HCA has since been working with the state on the rate methodology for providers employing telehealth.

These are just some of the ways home care keeps one step ahead of the curve at the same time that it helps drive health care innovation in New York State. In the decades to come, home care's vital niche will continue to take shape within the dynamic environment of health care policy and practice. ■

*Source: New York State Department of Health Division of Health Facility Planning: RHCF Bed CAPS

Types of Home Care Agencies

Home care agencies in New York can be categorized into four main groups:

Certified Home Health Agencies (CHHAs) under Medicaid, Medicare and private coverage provide skilled nursing, therapeutic and aide-level care and support services to individuals who need post-acute and preventive health care services, usually for a limited duration. CHHA patients may also be served over the long term.

Long Term Home Health Care Programs (LTHHCPs), also known as “Nursing Homes Without Walls,” offer comprehensive, coordinated long term care at home to disabled and chronically ill persons of all ages who are medically eligible for admission to a nursing home, but who choose to receive care at home. Services are budgeted at 75 percent of the cost of nursing home care, though the program has historically achieved 50 percent of the nursing home rate. Services are reimbursed under Medicaid, Medicare and private pay; but like nursing home care, Medicaid is the primary payor.

Licensed Home Care Services Agencies (LHCSAs) offer home care services, including nursing, home health aides and personal care aides to clients. Licensed agencies subcontract with other home care providers to deliver services to Medicaid and Medicare beneficiaries throughout New York State.

Personal Care Programs are Medicaid-only services provided by county departments of social services under contracts with LHCSAs that offer assistance with Activities of Daily Living (ADLs), such as personal hygiene, mobility, toileting, feeding, meal preparation, housekeeping and laundry for people who require such support services based on a medical need. Local social services offices determine the need for these services. ■

Governor's Budget: a Double Threat to Home Care

Nearly a half-billion dollars in disastrous home care cuts coupled with reckless restructuring proposals pack twice the punch

New York's home care community faces the biggest threat ever to its survival.

The first of these twin threats contained in the Governor's 2009-10 Executive State Budget is a **half-billion dollars in proposed cuts** that would reduce Medicaid funding to most home care agencies by an unprecedented 15 to 25 percent, dismantling home care's capacity to serve patients.

These cuts run counter to the Governor's own State-of-the-State message to "shift funding to primary, preventive and community-based care." Such cuts would, conversely, decimate services for New York's elderly, disabled, chronically ill and post-acute-care patients who seek care at home – in the community – as an alternative to care provided in costlier institutional settings.

But the threat to home care doesn't stop at reimbursement cuts alone. In addition to unprecedented direct funding cuts, **the Governor's budget also contains a series of restructuring initiatives that would further imperil home care services.**

One proposal – requiring agencies to provide home health aide services directly, or else provide none at all – would eliminate care for thousands and result in

staggering workforce layoffs at a time when the state's economy needs no further distress; a second proposal would, in the span of one year, dramatically overhaul the home care reimbursement system to emulate a model for Medicare that took years to activate at the federal level; and a third initiative would create new administrative layers and the potential for inefficiencies and delays in the provision of care. (See *sidebar for further details.*)

As HCA stated in recent testimony before the Senate Finance and Assembly Ways and Means Committees, "the best way to illustrate the value and importance of home care is to consider what New York State would be like without it."

"Without home care, thousands of medically frail seniors, persons with disabilities and chronically ill patients, including children, would have no choice but to needlessly leave the sanctuary of their homes and enter a nursing facility, where the cost of care is higher; Without home care, a patient who is ready for hospital discharge after undergoing surgery must remain in the hospital longer or enter a nursing home or rehabilitation facility – at greater cost to

See **MASSIVE CUTS**, p.6

Structural changes bent on dismantling home care system

Added to the Governor's avalanche of direct funding cuts is a slate of destabilizing initiatives advanced under the banner of "reform" that – rather than improving home care service delivery – would largely unravel a system already financially undermined.

These include the following:

Direct Contracting for Home Care Services

The 2009-10 Executive Budget includes a proposal forbidding Certified Home Health Agencies (CHHAs), Long Term Home Health Care Programs (LTHHCPs) and AIDS Home Care Programs (AHCPs) from subcontracting with Licensed Home Care Services Agencies (LHCSAs) for home health aide services. The proposal mandates that agencies only provide these services directly.

It is irresponsible and reckless for the state to be advancing such a proposal without considering data that would reveal the following potential impacts of the proposal: increased Medicaid costs, staggering workforce cutbacks statewide, as well as an unprecedented loss of vital

See **STRUCTURAL**, next page

▼ **STRUCTURAL** *continued from previous page*

services for thousands of New Yorkers, since very few non-LHCSA agencies have the operating margins – nor the necessary staff, expertise, systems and controls – to absorb all of their home health aide services directly. Under this change, most agencies will have no choice but to dramatically scale back on home health aide services. In addition, many long-standing patient-aide care relationships would be severed and many LHCSAs will be forced to close.

Subcontracting is a typical, prudent business practice used by the government and private sectors in all areas because it has been shown to increase efficiencies and reduce costs. HCA is deeply troubled that no data or analysis has been presented by the Executive to justify this proposal – especially as a budget initiative. In fact, the state admits it lacks evidence to support its claim that this proposal would reduce unnecessary administrative expenses; nor has the state attributed any savings to New York's Medicaid system through this proposal.

LHCSAs are a core part of the home care system and for many years have supplied much of the paraprofessional (home health aides, personal care aides) staff for patients requiring assistance at home. While CHHAs, LTHHCPs and AHCPs sometimes hire their own paraprofessional staff, they often contract with LHCSAs which are a different home care delivery model.

The result of prohibiting LHCSA subcontracting for home care services would be a precipitous drop in the number of available aides, shortages in most areas, and a move back to inappropriate and more costly nursing home and other institutional placements. In addition, New York State would see an increase in aide unemployment, a drop in tax revenue and an unnecessary hit to local and state economies. Put simply, this proposal would **increase** Medicaid costs and **decrease** revenues for New York.

2009-10 BUDGET

**A Direct Hit:
Structural
Damage to NY's
Home Care
Delivery
Infrastructure**

HCA's CHHA, LTHHCP and AHCP members have clearly indicated that they would **not** be able to absorb new costs associated with performing the function of LHCSAs, including costs related to recruitment and retention; employment, salaries and benefits; administration; supervision; orientation; training; development of cultural and language competencies; scheduling; establishment and operation of satellite offices; information technology changes; and numerous other expenses.

Prospective Payment System

Under proposed changes to the home health reimbursement system, the State Department of Health (DOH) would do away with its current fee-for-service structure. Instead, DOH would mandate that CHHAs would receive a bundled rate for delivering care to a patient over a 60-day period, with payment varying according to health severity. This is called a prospective payment system.

HCA supports the idea of examining and improving the home care reimbursement system, and looks forward to working with the state on such enhancements in the future. However, given the stakes for patients and providers, we oppose a product of this magnitude being fast-tracked without pre-testing, provider/patient impact analysis, provider or consumer input, appropriate transition, or verification that the proposed system is the correct approach. **Indeed, the present proposal in the Budget is projected to cut \$100 million in reimbursement to the neediest patients.**

When the state and federal governments have changed reimbursement systems for home care and other sectors, such changes were made after years of study, modeling, input from providers, demonstrations to test the effects of such changes on patients with different diagnoses and acuities, and transition mechanisms.

Establishing a prospective payment system for home care is very complicated. Complex calculations must be made to factor for the extraordinary variation in patient medical condition. Meanwhile, home care agencies must purchase new computer systems, change internal systems, and hire or train new staff – all costs that are unreimbursed – in order to adjust to a new payment system.

See **SYSTEM-WIDE**, p. 7

▼ **MASSIVE CUTS** *continued from p. 4*

Medicaid – because no in-home services would be available to provide the extensive physical and other therapy he or she needs in order to regain strength and mobility.” Clearly these cuts are the **wrong approach** to making New York’s health care system work better for patients.

Direct Home Care Cuts

HCA vehemently opposes the following direct home care reimbursement cuts, which amount to **\$475 million** when state and federal matching shares are combined. We urge the Governor and Legislature to **immediately reject these proposals**, which will irreparably damage an already fragile home care system, resulting in patients either seeking care in costlier settings or – due to budgetary constriction across all sectors of health care – jeopardize needed care altogether:

- **Elimination of the 2008 and 2009 Medicaid Trend Factors**, which are essential for keeping pace with the cost of care. These adjustments are necessary to fill the gap between two-year-old cost reports – used as a base for establishing Medicaid reimbursement rates – and present-day, actual costs of providing care.
- **A 10-percent cut in reimbursement** for nursing, therapeutic, home care aide and other services.
- **A further funding reduction for general patient care and operations** – such as patient outreach, assessment, case management, clinical technology, family support, training, quality improvement, and corporate compliance – through an arbitrary cut in the Administrative and General (A&G) reimbursement category. The A&G, as it is so plainly named, is actually a catch-all line of reimbursement for many critical services that are not covered elsewhere in the home health care reimbursement structure.
- **Across-the-board cuts** to home care programs of 3.5 percent or 1.5 percent, depending on the type of provider – cuts that are then further slashed with yet another across-the-board cut of 1 percent to all home care providers.
- **A 0.7-percent gross receipts tax** on home care provider revenues, including Medicare and out-of-pocket payments by uninsured elderly and disabled patients.
- **A cut in state and federal share funding by 50 percent (from \$16 million to \$8 million)** for special assistance to rural, suburban and small city home care agencies for 2008 – an amount that is **eliminated entirely** (by \$16 million) **for April 1, 2009 through March 31, 2010**. This funding has been allocated to help meet the cost of: new technology, serving populations with complex or special needs, travel, and other unique workforce expenses faced by rural, suburban and small city providers.
- **A radical change to the home care reimbursement system** (which cuts funding by \$12.5 million and prospectively by \$100 million – the latter amount is not reflected in the \$475 million total – in reduced reimbursement for the neediest and sickest patients) **and the inclusion of personal care in managed care** (which cuts funding by \$1.8 million).

On top of these devastating proposals, the Governor’s 30-day amendments further slash home care funding by **reducing necessary workforce recruitment and retention dollars** – by \$9.25 million in this fiscal year (and by \$37 million in 2010-11) – and eliminating all monies for Certified Home Health Agencies after December 31, 2009. ■

\$475M



*Size of
each cut**

\$182.5M

\$67.9M

\$46.2M

\$92.2M

\$38.6M

\$24M

\$14.3M

\$9.2M

**numbers reflect combined state and federal matching shares*

▼ **SYSTEM-WIDE** *continued from p. 5*

Furthermore, this proposed overhaul would be implemented backwards in that the Administration is also taking steps to reform the patient assessment instrument which should, after its own testing and verification, be the basis for improvements in the reimbursement system.

HCA asks the state to allocate the proper resources and time, involve all affected stakeholders, and carefully examine the potential effects on patient access to care **prior** to adopting such monumental reimbursement changes.

Long Term Care Assessment Centers

The Governor's budget also includes a proposal to establish regional long term care assessment centers that will assume the role of the local social services district to assess an individual's need for long term care services and to authorize such care.

HCA is deeply concerned that these proposed assessment centers will recreate the same problems that currently exist with social service districts, plus a new administrative layer that providers and patients must navigate, delaying the process of assessment and authorization for services. The removal of these functions from local departments of social services – and, in some cases, from providers – could, at the worst time in our changing health care system, create more confusion, conflicts and bottlenecks, which will lead to increased costs (e.g. inappropriate services for those whose needs have changed, hospital backups, unnecessary and longer nursing home stays, excessive and duplicative staff time, and more).

While the current function of the local districts presents many problems and challenges that stymie providers and prevent patients from receiving timely, appropriate home care services, HCA is deeply concerned that this proposal would replace one bureaucratic system with another, and one which may not be the correct approach for improving the efficiency and effectiveness of the authorization and assessment system. In

addition, since the proposal does not include system enhancements or quality improvement measures, HCA worries that the new system offers no relief to the state, providers or patients from onerous system inefficiencies.

The state also is separately in the process of developing a new assessment data-set and instrument, which we urge be accomplished with input from providers and other affected parties and tested for different programs in various parts of the state. We note that there is no guiding legislative language or assurances for input regarding this new assessment and recommend that this be included. ■

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'Medicaid for Medicaid'

FMAP funding in federal stimulus package should support Medicaid in lieu of cuts

HCA has been a leading advocate of efforts to obtain an increase in the Federal Medical Assistance Percentage (FMAP) for New York under the federal stimulus package recently passed by Congress and estimated to bring as much as \$12 billion in additional Medicaid funding to New York over a 27-month period.

Over the past several months, HCA has repeatedly stressed the need for legislators and the Governor to await the outcome of the federal stimulus plan in order to determine the total resources available to the state, especially for the Medicaid program, before taking any budget actions.

Recently we joined eleven other health care associations in a press conference urging state leaders to take a "Medicaid-for-Medicaid" pledge and ensure that any increase in federal Medicaid funding be used solely for Medicaid health services – and, specifically, for the purpose of substituting for the Governor's proposed cuts.

In this environment of devastating health care cuts – where providers have no choice but to consider services cut-backs and workforce layoffs at a time when services are needed most – it is only prudent that this funding be used for its intended purpose so that New York's health care system can continue to meet patients' needs.

Honoring their Mission to Patients

HCA awards recognize caregiver dedication during National Home Care Month



HCA Award Winners: Ms. Fitzgerald, Mr. Clements, Mr. Wilson

With him, a child who has special needs rides a bicycle for the first time in his life ... **With her**, a blind patient living alone is able to avoid accidents in the home ... **With him**, patients discover powerful new tools that allow them to take control of their own health management.

James Wilson. Denise Fitzgerald. Rodney Clements. These are the people of home care, their stories resonant with our overarching ideals – to provide compassionate care, to foster patient self-efficacy, to apply innovative clinical solutions and technologies for the betterment of the patient's health ... and to aim each of these values toward the shared goal of keeping patients in their home, where they prefer to be.

During an awards reception at our **Clinical and Technology Conference** in Albany on November 5, HCA paid special tribute to award winners **Mr. Wilson, Ms. Fitzgerald and Mr. Clements** for their commitment to providing compassionate, exemplary in-home patient care.

See **AWARDS**, next page

Home Care Community Dispatch

Shielding Patients From the Storm

In mid-December, the worst ice storm in decades knocked out power to 300,000 households throughout New York's Capital Region. For many, the days-long blackout was an inconvenience. **But for elderly, disabled and medically frail citizens**, the outage meant no heat and other potential health risks – vital medications spoiling without refrigeration, inoperable home medical equipment, and limited access to the most basic services.

When New Yorkers found themselves in need, the Capital Region's Home Care community acted quickly.

After the storm hit, one nurse at **Troy-based Eddy Visiting Nurse Association** thought immediately about her patient who suffers from multiple sclerosis. Without power for his home medical equipment, the patient had no means of

mobility. Seeking refuge in a shelter was not an option, considering the patient's extensive medical needs, so he would have likely needed to enter the hospital if the nurse hadn't volunteered to take him to her home until his power was restored two days later.

See **STORM**, p. 10

▼ **AWARDS** *continued from previous page*

Home Health Aides of the Year: Ms. Fitzgerald and Mr. Wilson

Home Health Aides **Denise Fitzgerald** and **James Wilson** each received the **Home Health Aide of the Year** award.

Ms. Fitzgerald of **Troy, NY-based Eddy Visiting Nurse Association** has been a dedicated home health aide at Eddy Home Care for 16 years.

A blind patient depends on Ms. Fitzgerald to not only assist with her bathing and grooming, but also to “be her eyes.” Ms. Fitzgerald arranges her patient’s clothing so that she has matching outfits available. In a caring measure of deeper interest and concern, she also keeps her patient’s apartment clean and organized so accidents can be prevented, and maintains a lively conversation when working with her patient – which is so very important for her patient’s psychosocial health.

Ms. Fitzgerald has been a mentor for newly trained home health aides and has acted as an excellent role model, routinely working more than 40 hours per week. In the spring, she missed only two days of work after a fire in her apartment building forced her family to live in hotels without belongings for weeks.

Mr. Wilson of **Bayside, NY-based St. Mary’s Community Care Professionals** has worked at St. Mary’s since January 2008 and provides care to a 12-year-old child with special needs.

Beyond helping to care for this young boy’s physical health needs, Mr. Wilson’s devotion and initiative led him to teach his patient to ride an adaptive bicycle – something the child previously had never been able to do. This meaningful gesture demonstrated Mr. Wilson’s appreciation for the patient’s ability to attain a sense of independence and accomplishment. The patient’s mother noted: “The first time he took my son out on his adaptive bicycle, tears came to my eyes because my son was riding

for the first time in his life – I never dreamed that I would see this day.”

The young patient himself included a letter of recommendation with Mr. Wilson’s nomination, praising him as one of his best aides. “I know that he is not family, but deep down in my heart, he is like a big brother to me,” the young patient wrote.

Nurse Telehealth Champion of the Year: Mr. Clements

In addition to the home health aide awards, HCA also debuted its **Nurse Telehealth Champion of the Year** award this past November, recognizing a nurse from an HCA member agency who was instrumental in implementing home care technology with proven results in improved quality of care, serving as a role model for others in furthering telehealth.

HCA and our provider members throughout New York State have been at the forefront of home telehealth policy development, most notably through our work with the state in structuring a home telehealth rate model under Medicaid for high-risk patients. Telehealth encourages patients to invest in their own disease management, reducing hospitalizations and the incidence of emergent care, and making

health care more cost-efficient. In fact, a recent study by economist Robert Litan found that **widespread use of remote-monitoring systems could cut the nation’s health care costs by \$197 billion over the next 25 years.**

This year’s **Nurse Telehealth Champion of the Year** is **Rodney Clements, LPN**, of the **Livingston County Department of Health**, for his work championing Livingston County’s telehealth program.

“Their service to patients is outstanding, and their individual stories of dedication and compassion reflect the broader mission of all front-line home care staff.”

-HCA President Joanne Cunningham

▼ HOME CARE HEROES *continued from previous page*

Mr. Clements has been a dedicated and hardworking nurse for Livingston County for eight years. He is a Vietnam veteran and a former computer engineer for Kodak. His nursing skills are excellent and he stays current with issues in the cardiac world.

HOME CARE HEROES

Honoring Their Mission to Patients

With the loss of several key staff, Livingston County's telemedicine program suffered a major setback after it had been up and running for only six months. Its troubles were further compounded when Mr. Clements was hospitalized for a heart attack that kept him out of work for a number of weeks. However, upon returning to work, Mr. Clements applied himself to the task of rescuing the program.

Mr. Clements continues to promote the telemedicine program at Livingston County to the more resistant staff and keeps the doctors informed of its importance and effectiveness. He has witnessed telemedicine patients take a remarkable interest in their disease and in their own recovery, allowing people to see how their lifestyle choices make a difference in their cardiac status.

Patients under his care have purchased their own scales, BP cuffs and notebooks to keep records of their daily vital signs, and they bring the data with them to their visits with doctors.



Sybil Nurse-Reeves, Director of Social Work for **Visiting Nurse Regional Health Care** of Brooklyn, meets with Giovanni Brumell, a patient of VNR Home Care's Medical Home Program for Medically Fragile Children, and his mother. Giovanni was born with one kidney and the other not fully developed and is an end stage renal disease patient. He receives dialysis three times each week at a Brooklyn dialysis center. Giovanni is non-verbal but is able to communicate his needs successfully and has well developed receptive language skills. Children with multiple health problems who are medically fragile benefit from home care that coordinates their clinical needs and helps their families access supportive resources.

Mr. Clements has always gone the extra mile for his patients – all on his own time. His kindness and caring is worn on his sleeve and his love for nursing is shown by the way he lives his life. ■

▼ STORM *continued from p. 8*

Another nurse at the Eddy had a tree crash into her home during the storm. Letting her own troubles take a back seat, she contacted each of her patients and conducted all of her home visits. Meanwhile, throughout the blackout, supervisors and schedulers at the Eddy kept the phones going as they called hundreds of clients and families, making arrangements so that patients had a place to stay, sending a rescue squad to escort a wheelchair-bound patient to a family member's house and, in one case, convincing a patient to visit a shelter.

Since home care is provided to patients in their own homes – rather than in facility settings, like hospitals or nursing homes – these agencies are vital partners in emergency response efforts, helping response teams to identify, locate, and ultimately reach homebound, disabled or technology-dependent patients in need of evacuation during a public emergency. This is one more example of how **home care is making a difference in communities.** ■

Home Care Community Dispatch

Unlocking the Home Care Solution

HCA legislative recommendations draw on home care's potential to save Medicaid dollars, and maximize health care investment without minimizing needed patient services

Draconian budget cuts won't make New York's health care system work any better for patients. Policymakers must, instead, consider the ways that **home care is already helping to control Medicaid costs** ... and embrace home care's potential to further maximize access to quality care in the patient's setting of choice.

This is why HCA has crafted comprehensive legislative recommendations that will implement cost-saving efficiencies to the home care system – and the health care system overall – by streamlining operations and requirements, rationalizing access to care, increasing performance accountability, and building on innovations and program strengths.

2009-10 BUDGET

**HCA Legislative
Solutions Draw
on Home Care's
Cost-saving
Potential**

Our legislative recommendations would:

- Improve channeling of patients to the most cost-effective and appropriate type of home care.
- Increase efforts at diverting patients from premature or unnecessary institutionalization, particularly at key transition points in their care.
- Apply home-based monitoring and disease management technology in ways that further support patients and reduce costs. The financial benefit of home care technology investment was most recently supported by economist Robert Litan who published a study in October which found that widespread use of remote patient monitoring systems could cut the nation's health care costs by \$197 billion over the next 25 years, especially for treatment of

chronic diseases like diabetes and congestive heart failure. New York's Medicaid program could join in the savings as well.

- Target new care management initiatives directed to the relatively small demographic of patients whose co-morbidities and service needs generate the highest costs.
- Broaden access to New York State's Long Term Home Health Care Program, or "Nursing Home Without Walls," which cares for patients at home at less cost than in nursing homes.
- Improve the efficient deployment of staff.
- Provide regulatory relief in ways which would save state dollars and improve the use of agency resources.
- Revise assessment tools for streamlined and more sophisticated patient evaluations, service planning and program eligibility.
- Expand financing options to reduce the dependence on Medicaid for long term care.

HCA's ideas are rooted in tapping the unique strengths of home care delivery rather than through across-the-board draconian funding cuts to the system, as the Governor has proposed making. Instead of taking such actions that will irreparably damage New York's home care system and harm the patients and families that depend on it, state leaders should make investments to further utilize home care as a solution to our state's health care and fiscal challenges. ■

Unstable Ground

Report: half of home care agencies would consider closing under 10% Medicaid cut; Governor's budget would cut Medicaid by 12% to 25% for most agencies

As Governor Paterson issued his 2009-10 Executive State Budget containing a half-billion dollars in funding cuts and a slate of radical restructuring proposals, HCA and the New York Association of Homes and Services for the Aging (NYAHSAs) released a comprehensive report which chronicles the already perilous state of home care agencies' financial condition.

The report, entitled *Unstable Ground: The Fiscal Instability of Home Care in New York State*, reveals the stark financial picture of home care providers and the impact of prospective Medicaid cuts on home care's capacity to serve patients at home in the community.

"What emerged from our analysis of cost reports and member surveys is a troubling picture of financially vulnerable organizations struggling to keep pace with cost and the level of services in order to continue to provide quality services to people needing care in the community," the report states. "Because costs have outpaced Medicaid, Medicare and managed care rates of reimbursement, most providers are losing money on operations, and the losses are worse than they were two years ago."

Despite the role of home care in efforts to rebalance the state's long term care system towards more home and community-based care, the report states, "these services have been the target of repeated Medicaid cuts. These cuts are increasingly threatening the viability of the entire health care system along with the establishment of reforms necessary to achieve a more person-centered service system."

Among the report's key findings:

- **Seventy-five percent** of Long Term Home Health Care Programs (LTHHCPs) and **53 percent** of Certified Home Health Agencies (CHHAs) reported operating losses in 2006 due to inadequate reimbursement (CHHAs typically provide short-term, post-acute care while LTHHCPs provide in-home services to patients who are medically eligible for admission to a nursing home, historically at 50 percent the cost of nursing home care);

\$475M



Size of the Governor's proposed budget cuts to home care (combined state and federal shares)

47%



The number of agencies and programs that would consider closing under a 10% Medicaid cut

12% to 25%



How much Medicaid funding would be cut to most agencies and programs under the Governor's budget

75%



Percentage of Long Term Home Health Care Programs that reported operating losses in 2006 due to inadequate reimbursement

53%



Percentage of Certified Home Health Agencies that reported operating losses in 2006

19



The number of rural New York counties that currently have only one provider of skilled home care services

15



The number of Certified Home Health Agencies that have either closed or been consolidated in the last five years

▼ UNSTABLE GROUND *continued from previous page*

- **Nearly half of agencies** may seriously consider closing under a prospective 10-percent Medicaid funding cut;
- **Approximately 41 percent of providers** reported that their current cash flow situation is “worse” or “much worse” now compared to 2007; and
- **Sixty-six percent of CHHAs and LTHHCPs** are currently experiencing a shortage of professional staff, while approximately 85 percent are encountering difficulties in maintaining the needed level of staff.

HCA/NYAHSAs Survey and Cost Report Analysis

As part of our report, HCA and NYAHSAs conducted a detailed analysis of CHHA and LTHHCP 2004 and 2006 cost reports (2006 is the most recent year available), which provide concrete data on agency or program finances. These cost reports are the certified financial statements providers must submit to the New York State Department of Health each year. They form the basis of the state’s Medicaid rate calculations and, as such, are pivotal to the determination of Medicaid funding in New York State.

To further reinforce this hard data analysis, HCA and NYAHSAs also conducted a joint survey of our CHHA and LTHHCP provider members.

In the survey, providers were asked to consider a series of current and potential measures taken in response to financial hardship (i.e., staff reductions, borrowing to meet expenses, agency/program closure, delay in paying contracted service providers, etc.), and to assess whether the described actions currently exist and to what extent each of these described actions is likely to occur under a 5-percent and 10-percent Medicaid revenue cut.

UNSTABLE GROUND

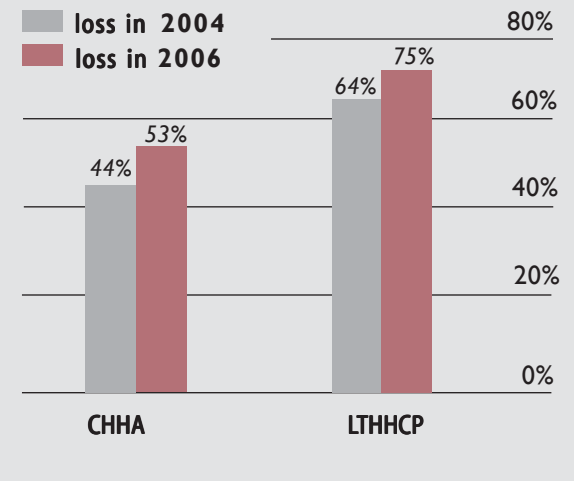
Report
Chronicles
Perilous
Financial
Condition of
Home Care

While policymakers have stressed the importance of home and community-based programs as a solution to making Medicaid more efficient, funding cuts have undermined efforts to deliver cost-effective

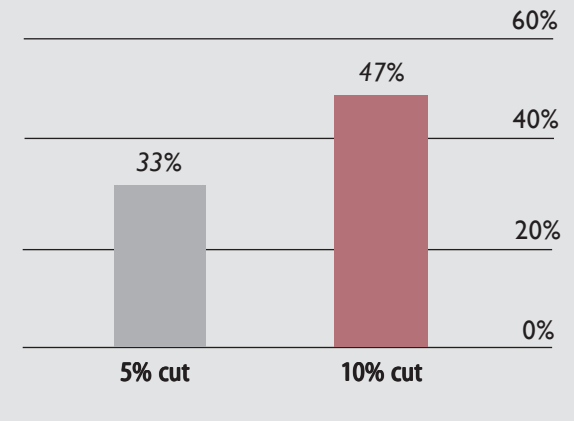
and comprehensive in-home care to thousands of New Yorkers. Without home care, many patients would otherwise have no alternative but to enter a nursing home or depend more heavily on other costlier facility-based health services. Any additional funding cuts — especially those as large as the Governor’s proposals — would further jeopardize access to the most appropriate care in the most appropriate setting.

The full report can be found on HCA’s website at www.hcanys.org. ■

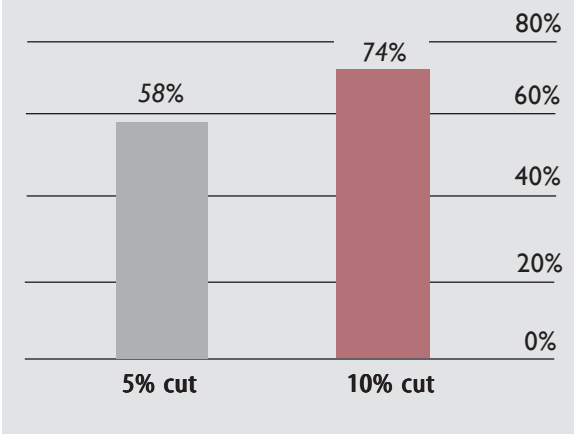
Percentage of agencies and programs shouldering an operating loss: 2004 v. 2006



Closure “likely” or “very likely” under 5% or 10% Medicaid cut



Service reductions “likely” or “very likely” under 5% or 10% Medicaid cut



Ensuring A Safe Living Environment for Patients

This summer, **Metropolitan Jewish Health System's** Long Term Home Health Care Program (LTHHCP) enrolled a 93-year-old single man who lives with his 87-year-old brother in a one-bedroom apartment in the Bay Ridge section of Brooklyn. The patient has multiple debilitating medical problems; his brother is the sole caregiver and only living relative.

The LTHHCP care management coordinator immediately noticed that the apartment was unsafe and unsanitary. There were cracks and holes in the walls, built-up dirt and debris on the floors, roach and rat infestations, missing light fixtures, exposed electrical wires in the bedroom, and the kitchen appliances were dirty and in need of repairs.

One day after the initial visit, the care management coordinator, social worker, and the social work supervisor called a meeting with the building superintendent and manager and won an arrangement that the two men would be relocated to a vacant apartment on the same floor while their apartment was fully repaired, painted, and exterminated.

Metropolitan Jewish picked up the cost of the temporary relocation and return – with no reimbursement from Medicaid. The landlord took care of the rest. State Budget cuts will prevent our ability to absorb similar losses and services for patients. ■

Notes from the Field

patients and providers share their stories about home care's value in the community

Comprehensive Service Essential to Care of Patients at Home

Comprehensive service is vital for the care of patients at home and can even transform lives for the better.

Such was the case for a frail 76-year-old patient who lived alone in a dilapidated building in a drug-infested South Bronx neighborhood. When she came to **Jewish Home Lifecare's** Long Term Home Health Care Program (LTHHCP), the patient had recently left the nursing home and was suffering from multiple and slow-healing leg ulcers – the primary reason for her frequent hospitalizations and prolonged stay in a rehabilitation facility.

Jewish Home's home care nurse, social worker, physical therapist and home health aide worked collaboratively toward the goal of improving the patient's clinical status and living conditions to ensure her safety at home.

Jewish Home's registered nurse cared for the patient's ulcers before and after successful skin grafting, working closely with her primary doctor and other specialists, thus minimizing hospital emergency room visits.

The physical therapist made sure the patient learned how to ambulate safely with either a cane or walker, which also increased her functional mobility.

The social worker aggressively followed up on numerous housing violations by an unscrupulous landlord, including the

See **NOTES from the Field**, next page

TO: VNA of Albany, Saratoga,
Rensselaer

In October 2007 I had a hemipelvectomy due to a recurrent bone tumor, a procedure that occurs nationally about 25 times a year; there is no clinical history or recovery procedure. Upon my release from the hospital, we called the VNA of Albany and requested Fred (a specifically recommended physical therapist).

Fred took great personal interest and came up with an innovative therapy regimen that has allowed me to exceed expectations of my surgeon and myself. We tried new things, learned together and he continued to push me to recover. I am now getting much closer to walking on one crutch and am self-reliant. All of this is owed to Fred and the Albany VNA.

- letter from VNA patient

▼ NOTES from the Field *continued from previous page*

presence of molds, cracks all over the walls and floors, leaks and no running water. The social worker also secured food stamps and Access a Ride and applied for new housing, even as he continued to deal with the building management for ongoing essential repairs.

The devoted home health aide helped with the client's personal care, as well as other activities – such as cooking, running errands, escorting the patient to medical appointments and interviews for housing – all the while notifying the registered nurse promptly when the patient had complaints or unusual changes.

Moving services were eventually obtained and the patient happily transferred to her new apartment, and a new life in a better situated Senior Citizen's Building.

The skilled and caring coordination of the LTHHCP team allowed this client not only to remain in the community – which was her continually expressed desire – but transformed her life so that she could remain in the community with a quality of life that should be the standard of our health care system as we all age.



Without a caring and efficient multidisciplinary home care team, she would most probably still be living in the same squalid and dangerous environment at increasing risk for multiple institutional treatments in hospitals and nursing homes, and at a much higher cost to Medicaid. ■

Proposed Budget Cuts Devastating to Special-needs Patients Requiring Home Care

The proposed State Budget cuts will have a negative impact on home care services in general but especially on the special-needs population afflicted with autism, developmental disabilities and other conditions, says **Extended Care Certified Home Health Agency**.

This population has ongoing needs for home care services. Without the necessary support and help, special-needs patients run the risk of institutionalization. Home care services allow the patient and family to remain safely in the community as sustainable individuals while maintaining the positive family dynamics that these individuals need and deserve.

The proposed cuts frighten some mothers like Ms. A, whose child has autism and mental retardation. Ms. A states: *"it is very frightening to think that these services might be cut. I am older now and my daughter is much stronger physically. Her mental disability is quite severe and sometimes she becomes very aggressive. I love her but it would be difficult to stay with her on my own all the time. If that happened, I would have to institutionalize her, something which would be a very painful but an inevitable choice. I don't think that institutionalization would cost less for her care. This is why I strongly feel that special needs services should be better protected. Please help us."*

A second statement from Ms. C, who has two special-needs children, expresses similar concerns: *"With a services cut, I know my children can regress quickly. Speech and physical therapy provided by the Agency are vital services and these are needed on an ongoing basis. I cannot begin to imagine handling everything on my own."*

Care provided in the home not only improves the quality of life; it can also save Medicaid dollars by cutting down on expensive inpatient treatments and institutionalization. Further budget cuts could seriously compromise the provision of services. ■

TO: VNA of Central
New York

I am writing this note to tell you how grateful I am for all your agency has done for me. I have had two of the most professional nurses you could ask for.

They are the most efficient and professional and very thorough in everything they do. After all this time I feel they are friends also.

[One of my nurses] Tammy was wonderful teaching my husband how to do my dressings. He has surprised even me!

I don't know how people like me would survive without your agency. (I'm a retired nurse and I wouldn't have been able to do these dressings.)

Thanks again for all the support and care I have received the past three months and continue to receive.

- letter from VNA patient



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