



July 21, 2011

Dear Member of NY Delegation:

On behalf of the Home Care Association of New York State (HCA), which represents nearly 400 mission-driven home care agencies, organizations and individuals advancing the provision of quality home care to hundreds of thousands of elderly and disabled adults and children, I write to urge your steadfast and active opposition to any additional Medicare cuts aimed at New York's home care provider community, including the imposition of home health copays, which would dramatically diminish access to vital home care services.

Home care agencies in New York State have been hit hard by recent reimbursement cuts and are extraordinarily financially fragile. On the Medicare front, agencies have experienced cuts in their Medicare reimbursement of \$233 million over the past thirteen years. On top of these cuts, the new federal health reform law will impose an additional \$1.9 billion in new reimbursement reductions to New York's home care providers over the next ten years. As a result, statewide home health margins of New York's home care agencies are negative – and have remained so for the past nine years.

Medicaid home care reimbursement for serving the fragile Medicaid population has also been greatly slashed by state lawmakers, and this year's state fiscal budget agreement included \$1 billion in combined new Medicaid cuts, including an unfunded living wage mandate imposed on the home care provider community, causing New York's providers to plummet into even deeper levels of loss from service to their patients.

The net effect of these actions is a home care provider community that is on the edge of fiscal insolvency. According to a 2010 survey of the financial status of New York's home care industry, 70% of agencies are experiencing total operating losses and nearly half must borrow money to meet operating costs. Seventy-five percent of agencies indicate that their cash-flow status is serious or very serious. It is a certainty that further cuts of any kind will result in closure of agencies and the diminishment of services to needy patients.

The imposition of a copayment on home health services would also jeopardize access to services for patients and is in effect a "sick tax," targeting the most vulnerable and needy patients. Most Medicare home care patients have limited incomes and the imposition of a copayment on home care services would do nothing more than serve as a powerful disincentive to utilize the benefit. At a time when state and federal policy changes should – and in many cases, do – incentivize the use of home care as a way to prevent unnecessary institutionalization, hospital stays or physician visits, enacting a federal policy that creates a financial disincentive to access the benefit is counterintuitive and will ultimately increase health care costs.

Every day across New York, thousands of needy patients receive life-saving, rehabilitative, therapeutic and necessary services in the most cost-effective and preferable setting – their own homes. These patients are seen by nurses, therapists, home health aides and social workers, whose work is all focused on the singular mission of providing the highest quality care to their patients. The imposition of a copayment – resulting in patients forgoing needed care or leaving home care agencies unable to collect this payment from low-income patients – will only function as a service barrier or an additional cost to agencies, who are struggling to maintain financial solvency.

The home care safety net across New York State is already strained, and, in many areas of the state, access to home care is minimal. Please take a strong stand against new home care cuts and copayments that will further undermine and strain the home care system in your community.

Thank you for your consideration and past support for home care.

Sincerely,

A handwritten signature in black ink that reads "Joanne Cunningham". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Joanne Cunningham
President