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I. Introduction

My name is Andrew Koski and I am the Vice President for Program Policy and Services of the Home Care Association of New York State (HCA).

HCA is a statewide association comprised of nearly 400 health care providers, organizations and individuals involved in the provision of home care services to several hundred thousand individuals annually in New York State. HCA's membership includes Certified Home Health Agencies (CHHAs), Long Term Home Health Care Programs (LTHHCPs), Licensed Home Care Services Agencies (LHCSAs), Managed Long Term Care Plans (MLTCs), and Hospices which form the core of New York's cost-effective home and community based care system.

HCA thanks Jaime R. Torres, DPM, MS, Regional Director of the U.S. Department of Health and Human Services (HHS), New York Regional Office, for inviting HCA to testify at HHS's November 14, 2011 "Listening Session" on essential health benefits and to provide our input on the need to include cost-effective, preventive and rehabilitative home care services within the definition of essential benefits for purposes of implementing the insurance coverage components of the federal health reform law.

II. Home Care Must be Included as Essential Health Benefit

It is HCA's position that home care, hospice and palliative care must be included in any package of "essential health benefits" as part of the federal government's plan for extending coverage to the uninsured and the underinsured.

Home care and/or hospice provide an array of clinically proven, cost-effective services that have evolved over time as providers work to: meet the needs of a growing aging population; apply innovative clinical and technological practices that assist the chronically ill, those with life-limiting illnesses, persons with disabilities and post-acute care patients at home; support the right of patients to receive services in the least restrictive environment; and meet the prerogatives of federal health reform to improve the delivery of health care and control costs by preventing utilization of higher-cost services.

The home care system of today is more clinically advanced, more technologically equipped, and more integral to the overall health care system than ever before, as patients requiring care at home exhibit increasingly complex clinical and supportive needs, and as state and federal policies have rightly emphasized a shift towards community-based care.

Care provided at home covers some patients that until recently were mostly cared for in nursing homes, hospitals, rehabilitation facilities or other settings for a variety of services, including post-hospital skilled care, personal care, therapies, nursing, home infusion, medication management and comprehensive medical and care management. These in-home services maximize a patient's existing environmental and support resources to provide an individualized level of care that promotes self-management and service continuity. Such are the themes prevalent throughout the federal health reform law.

Home care is fundamental to and in synchronicity with many of the innovative community-based care models envisioned by federal health reform. In addition, home care's status as an essential health benefit has a categorical precedent within the federal health reform statute itself. The law specifies that an essential health benefits package must include certain areas of service, several of which are either squarely in the domain of the home care system or are areas for which the broader health care system relies heavily on partnerships with home care providers. These federally required service areas include:

- **Maternity and newborn care**, an area where home care providers have developed successful models for assessing and administering care to mothers and their newborns at home after discharge from the hospital, providing nutritional education, screening for postpartum depression, and other health interventions;
- **Rehabilitative and habilitative services and devices** which are essential supports within the home care clinical environment, especially in the case of home care therapy services needed to help patients recover post-surgery or when a home care agency evaluates and educates frail-elderly patients or persons with disabilities on the ways in which such devices can assist them in safely navigating their home environments; and

- **Preventive and wellness services and chronic disease management** which are at the core of home care's role within the health care continuum to avert unnecessary hospitalization, nursing-home care or physician visits.

In summary, home care serves as a safety net for the entire health care system to reduce costs, ensure the most appropriate utilization of services, allow the entire health system to function without unnecessary bottlenecks, prevent premature or unwanted nursing home placement, support family efforts to manage an individual's chronic or disabling health condition, and keep patients home, where the vast majority of people want to be. It provides a patient-centered coordinated care plan of skilled, assistive, therapeutic, nutritional and other services to a wide variety of populations, including newborns and mothers, the frail-elderly, children and young persons with disabilities, working age adults, and chronically-ill patients who are functionally impaired and have debilitating illnesses.

Home care is the essence of an "essential" benefit.

Home care is pivotal to all aspects of health reform and to patient care and the nation's health care system as a whole.

Home Care is Cost Effective

Not only does home care and/or hospice serve patients in the environment where the vast majority of people want to be, home care is also a proven cost-effective alternative to providing care in more expensive settings, including nursing homes, hospitals, and rehabilitation facilities. In this way, home care meets the cost-efficiency goals of health reform and can maximize yet-unrealized potential to achieve further cost savings if included in the essential benefits package.

Myriad studies have demonstrated the cost-effectiveness of home care in targeting specific health outcomes measures and in saving health care dollars as a whole. New York State, for instance, has a landmark home and community based waiver program, called the Long Term Home Health Care Program, or "Nursing Home Without Walls," under which specially designated Medicare/Medicaid-

certified agencies provide a nursing-home-level of care to thousands of the frail-elderly, chronically ill patients and persons with disabilities at 50 percent the cost of nursing home care.

Home care is particularly successful not only in treating patients with certain chronic conditions – like diabetes, chronic obstructive pulmonary disease (COPD), coronary heart failure (CHF) and similar ailments – but also in stemming the financial costs associated with the progression of these diseases. A 2009 study by Avalere Health identified \$1.77 billion in Medicare savings attributable to the treatment of such conditions in the home setting from 2005 to 2006.

These are just a few of the ways in which home care provides a support for the cost-efficiency goals of health care reform and can better fulfill these goals through inclusion in the essential benefits package.

Home Care's Expert Use of Life-saving, Cost-effective Technologies

Technology is being used to improve the entire health care delivery system. Home care organizations are leaders of such efforts. The use of technology in the home for medical management and intervention has greatly expanded and is another area of cost savings and care improvement for the entire system. By including home care within the essential health benefits package, payors and health care partners can best tap the special expertise of home care providers in utilizing these technologies for the betterment of a patient's health management and cost-savings.

Home telehealth and telemedicine, in particular, have been shown to reduce emergency room visits, emergency physician office visits and hospital stays by allowing clinical health managers to remotely monitor at-risk patients through the use of technology and data links that transmit vital signs and even video signals from the home to a central monitoring station in conjunction with, and often obviating the need for, the traditional in-home visit. With these technologies, a clinical telehealth manager can spot a sudden spike in blood pressure, a change in weight or other symptoms that may trigger an immediate intervention before a potentially life-threatening condition worsens. These technologies also empower the patient and family members to take charge of a loved one's health and have a stake in maintaining improved health by keeping the patient and families better informed and illustrating the

effect of health compliance on a patient's outcomes. Meanwhile, devices like medication dispensers, motion sensors and emergency call systems all reduce errors or provide for safer home settings.

Home care providers have developed a unique level of expertise in developing sophisticated programs that integrate these and other technologies to: initiate life-saving interventions, allow for clinical reporting to physicians and other health care partners, facilitate needed adjustments to a patient's medication regimen or other features of the care plan under the direction of the physician, and ensure the safety of vulnerable patients in the home. Inclusion of home care as an essential benefit will allow for further integration of home care provider expertise in utilizing these cost-saving, clinically successful technologies that support the goals of health reform and facilitate the kind of care-management partnerships envisioned by health reform.

Home Care is at the Core of Health Reform Initiatives

Home care is at the forefront of national and state efforts to reform the health care system. Many initiatives in the "Affordable Care Act" support the expansion of cost-effective care at home – including the Community First Choice Option, Money Follows the Person, Balancing Incentive Payments Program and an expanded Home and Community-Based Services State Plan Option – and can achieve further success with the integration of home care within the essential health benefit package.

For instance, the activities of the newly created U.S. Centers for Medicare and Medicaid Innovation will look to involve home care providers as partners in piloting new care models as part of its aim to develop and test innovative delivery models, including Accountable Care Organizations and Medical Homes. In tandem with the Innovation Center, the Federal Coordinated Health Care Office is working to improve access, coordination and cost of care for dual-eligible patients through system transformation, innovation, and alignment of financing and quality measurements across Medicare and Medicaid, supporting many changes in the provision of services at home.

The U.S. Centers for Medicare and Medicaid Services (CMS) is also encouraging health organizations to improve the care of patients who transition from one setting to another, such as from a hospital to a nursing home and/or to home, through bundled payments and by penalizing repeated

and/or avoidable hospital admissions. Home care has a core role in such initiatives, which will gain more traction as value-based purchasing affects facilities and non-institutional service providers. Other initiatives rely on home care to help integrate care across providers and settings and thus realize HHS's goals of producing better care and better health management, while reducing cost.

Home care's importance within the programmatic and care-innovations components of federal health reform extends naturally to the recognition of home care's value in meeting the criteria under which an essential benefits package would be determined.

Olmstead Decision: a Legal Precedent

The federal *Olmstead* court decision ruled that it is a form of discrimination under the Americans with Disabilities Act (ADA) when states fail to provide community-based services for persons with disabilities who would otherwise need to be institutionalized. The decision created a legal framework to enable individuals with disabilities to live in the most integrated setting appropriate to their needs.

This decision has stimulated the federal government and states to take actions that promote the provision of care at home. The case provides further evidence for home care's inclusion as an essential benefit, in order to fulfill ADA requirements.

III. Scope of Home Care Benefit Must Be Inclusive

Due to the variety of services that can be provided at home and the evolving nature of such services, HCA urges HHS to specify that the home care benefit be inclusive and not rely on an outdated definition of the benefit limited only to skilled care or coverage of services only after an institutional stay.

The breadth of home care has evolved and continues to do so to adapt to changing needs and technological advances, much in keeping with the vision of the health reform law. A restrictive home care benefit would undermine the value and function of home care in the operation of the health care system and impede the ability of home care providers to keep people safe and prevent the exacerbation or deterioration in the health of patients who depend upon these services.

It is also vital that the home care benefit be established without imposition of a copayment on these services. Copayments for certain services, including home care, have been shown to discourage patients from receiving services and result in the need for more expensive treatment.

IV. Hospice and Palliative Care Must Be Distinct Benefits

While hospice and palliative care are often provided at home, this is not the only setting in which these services are provided and, thus, we believe that hospice and palliative care should be separately established as a distinct essential health benefit.

The essential health benefits should include the equivalent of the Medicare hospice benefit for individuals and families facing life-limiting illnesses. Such services include, but are not limited to, home care aide, nurse and physician services; bereavement counseling; medical equipment and supplies; medication and short-term inpatient care for management of pain and other symptoms related to the hospice diagnosis; and short-term respite care for family caregivers.

Palliative care, meanwhile, seeks to address not only physical pain, but also emotional, social and spiritual pain to achieve the best possible quality of life for patients and their families and reduce instances of avoidable hospitalization or other institutionalization. Palliative care extends the principles of hospice care to a broader population that could benefit from receiving this type of care earlier in their illness or disease process. Palliative care services for individuals at earlier stages of serious illness are essential to the benefit package.

V. Conclusion

Home care is clearly essential to the structure, functioning and cost-effectiveness of the health care system and to the care of patients and families. The medical and fiscal wisdom of these services is well-demonstrated and is core to the foundation of the Affordable Care Act's intent, reform objectives and initiatives. Accordingly, HCA strongly urges HHS to include home care, hospice and palliative care in the required essential health benefits plan.

I thank you for the opportunity to present HCA's recommendations and am available to answer any questions or provide further information to assist with this endeavor.