Rhode Island Partnership
for Home Care

Advancing quality healthcare at home

Home Healthcare Provider Community's Recommendations to the Working Group to Reinvent Medicaid

April 1, 2015

On February 26, 2015, Governor Gina Raimondo issued an Executive Order[1] to develop the "Working Group to Reinvent Medicaid", a 29-member panel of local community and business leaders charged with developing a long-term plan to improve the quality of care Rhode Islanders receive through the Medicaid program and reduce the costs for Rhode Island taxpayers. This position paper details the perspective of the home healthcare and hospice industry for this initiative; summarizes the talking points made by the dozens of home care provider agency administrators, nurses, nurse assistants, allied direct care staff, patients, clients, family caregivers, and supporters of quality healthcare at home that attended the four Town Hall hearings; and provides recommendations by the Rhode Island Partnership for Home Care to the Working Group for long-term improvements to the Medicaid program.

Preface

Established in 1990, the Rhode Island Partnership for Home Care represents home care, home nursing care, and hospice provider agencies licensed by the Rhode Island Department of Health that serve patients and clients in every Rhode Island community. In addition, our association is proud to include associate members that provide products and services to support home healthcare service delivery. Focused on the mission of "Advancing quality healthcare at home", we are committed to promoting quality home healthcare service delivery, ethical healthcare business practices, and positive patient and client outcomes to ensure that access to home care and hospice remains an integral component of our acute and long-term healthcare system.

The Rhode Island Partnership for Home Care maintains the position that the primary opportunity for cost-savings on healthcare services utilized by beneficiaries within the Medicaid program can be driven by the State committing to its rebalancing plan under the CMS 1115 Waiver, formerly referred to as the "Global Waiver". We recognize that there are several other solutions required to stabilize the overall costs incurred by the Medicaid program — some involving home healthcare and others outside of our industry. However, for an industry of home and community-based healthcare providers[2] that have had their Medicaid Fee-for-Service reimbursement rates frozen for the past seven consecutive fiscal years and proposed for an eighth consecutive year in Governor Raimondo's proposed Fiscal Year 2016 state budget, we

[1] Executive Order 15-08 issued by Governor Gina Raimondo on February 26, 2015 at 1:58 PM.

[2] Including those represented separately by other trade associations for adult day care services and assisted living facility care.

are deeply concerned that the rate reductions for providers that was addressed in the presentation by Health and Human Services Secretary Elizabeth Roberts during the first Working Group meeting on March 2, 2015 may include short-term rate reductions or extension of rate freezes for Medicaid home care providers.

Problem #1 - Reimbursement to Home Healthcare Providers

There is a significant disparity in funding long-term care providers. Nursing homes have received a rate reimbursement increase in four of the last seven years. The last increase for home and community-based providers was in Fiscal Year 2008, but most of the funding was rescinded the following fiscal year. Thus, Rhode Island has not provided a sustainable increase in Medicaid reimbursement rates for home care services since Fiscal Year 2002. This disparity has driven reimbursement to nursing homes up by 27% to average $51,694 per beneficiary served since the last rate increase to home and community-based providers. However, during this same time period, the amount of beneficiaries that were nursing home residents dropped by approximately 10% from 7,519 to 6,852 while home care service recipients rose by 33% from 2,934 to 3,914.[3]

During the 2014 legislative session, the Rhode Island Partnership for Home Care, representing Medicaid-certified home care and home nursing care providers, along with LeadingAge Rhode Island, representing Medicaid-certified adult day care facilities, advocated for legislation to provide for a 10% increase in Medicaid home and community-based services long-term services and supports.[4] This bill did not pass the legislature that session, but approximately $2.6 million in additional funding was approved to support the financial stability of nursing homes. This expanded the disparity in long-term care funding by almost 30%. This bill has been refiled for this legislative session.[5]

During the past seven fiscal years, costs have risen such as fuel to travel between patients' and clients' homes. With the implementation of the Affordable Care Act[6], home care agencies have confronted further costs to meet the affordability test to provide health insurance to their employees. Without a rate increase to meet the costs of operating in our economy and under Affordable Care Act, it makes the business environment to provide services in the community only more difficult. Layoffs, agency closures, and restrictions to accessibility of services have already occurred within the past year and may continue if the Fiscal Year 2016 state budget does not include an adequate increase for providing home care services through the state Medicaid program.

The difference in cost per beneficiary served at $20,286 in home care versus $51,694 in nursing homes is predominately due to room and board costs. While Medicaid is paying for all-inclusive housing, medical and social services for beneficiaries in nursing homes, Medicaid home care patients and clients are only receiving medical and homemaking support. Prior to

---

[3] Fiscal Year 2009-2013 Comparative Data, Page 32, Slides 63-64, Executive Office of Health and Human Services Presentation to House of Representatives Committee on Finance, March 12, 2014.

[4] 14-H-7732, sponsored by Representative Frank Ferri and 14-S-2583, sponsored by Senator James Doyle, III.

[5] 15-H-5515, sponsored by Representative Scott Slater and 15-S-TBA, sponsored by Senator Louis DiPalma.

[6] U.S. Patient Protection and Affordable Care Act, 2010 P.L. 111-148.

November 1, 2014, home care clients were accessing non-medical transportation services by the home care agency's staff to attend religious services, grocery shopping, pharmacy visits, beauty appointments, to name a few locations. Since the implementation of a new policy by the Executive Office of Health and Human Services, many of those activities provided ceased unless it is specified in the authorized plan of care[7] — which many clients do not have specifically stated in their plan of care. The problem with implementing this new policy is that it has created a shut-in affect where home care clients no longer have access to non-medical services that enhance their quality of life and encourage them to remain in the care of a home care provider. Without access to non-medical transportation provided by the home care agency, home care clients are encouraging their physicians and case workers to authorize their ability to enter into a nursing home where many of these activities are all-inclusive to the nursing home without requiring their transport.

This legislative session has brought another proposal to increase the minimum wage from $9.00 per hour as enacted in January 1, 2015 to $10.10 per hour beginning January 1, 2016. If enacted, this would be the seventh increase in the state's minimum wage since the last sustainable Medicaid home care rate increase in 2002. This increase would result in a 12.23% increase over the current minimum wage and a 46.3% increase since the 2002 Medicaid home care rate increase. Due to the lack of reimbursement rate increases, wages for certified nurse assistants, hereafter referred to as CNAs, have remained flat. The average hourly wage for a CNA in home care is $11.00 — which is lower than the average for their facility-based counterparts. For homemakers, the wage has increased along with the minimum wage as the average wage has remained at the state minimum. However, the availability for these jobs is declining as the current Medicaid reimbursement rate does not generate enough revenue to sustain this line of business for many home care providers. In addition, as the needs of Medicaid home care clients become more complex, many home care agencies are offering combined care-level services, CNAs providing homemaking services in addition to personal care at a slightly-reduced reimbursement rate at $4.42 per quarter hour ($17.68 per hour). Reimbursements for CNA level of care range in Rhode Island based on the accreditation[8] level of the agency from $4.79 per quarter hour ($19.16 per hour) to $5.05 per quarter hour ($20.20 per hour). Yet, reimbursement rates for our neighboring states are much higher at $6.10 per quarter hour ($24.40 per hour) in Massachusetts and $6.16 per quarter hour ($24.64 per hour) in Connecticut.[9] A 21.5% and 23.3% difference respectively in the reimbursement rates from the Medicaid programs of our neighboring states. Rhode Island home care providers simply cannot compete for CNAs against Massachusetts and Connecticut without a significant adjustment in reimbursement rates with parity to our neighbors.

---

[7] Executive Office of Health and Human Services policy on non-medical transportation services by home care providers, November 1, 2014.

[8] Medicaid will accept the accreditation of home care providers from nationally-recognized accrediting organizations such as the Community Health Accreditation Program (CHAP), Accreditation Commission for Health Care (ACHC), or The Joint Commission.

[9] National Association for Home Care and Hospice, Medicaid Fee-for-Service rates survey, April 2014. Note: Connecticut was listed at a range from $16.32 to $18.88 per hour in the survey. This reimbursement rate was increased to $6.16 per quarter hour on January 1, 2015.

Recommendations to Resolve the Financial Instability of Medicaid Home Care Providers

1) Increase the Medicaid Fee-for-Service reimbursement rate for home and community-based providers by 10% in Fiscal Year 2016 with an annual inflation adjustment;[10]

2) Repeal the Executive Office of Health and Human Services policy on non-medical transportation by home care agencies related to accessing transportation via the plan of care OR authorize non-medical transportation for all Medicaid home care clients with appropriate parameters; and

3) Do not increase the minimum wage without adding a Medicaid rate increase for home care direct care staff at or above an equal percentage to the minimum wage increase.

Problem #2 - Case Management Process

Toward the end of the Carcieri Administration[11], Medicaid home care provider agencies began to see a decline in the quality of written authorizations received by case management agencies, particularly the CAP[12] agencies. Computerized written authorizations, printed in dot-matrix font, were provided to home care agencies at the point of referral. This is no longer the case. CAP agencies have been submitting authorizations on handwritten facsimile cover sheets, print screens within the state's REVS[13], or a plan of care for Medicaid beneficiaries with no authorization at all.

Home care provider agency administrators frequently share their experiences with CAP agencies to the Rhode Island Partnership for Home Care. These experiences have included: caseworkers telling administrators that they need emergency placement of Medicaid beneficiaries into home care and will "IOU" the written authorization later — which never comes; "print screen written authorizations" are the only statement provided by caseworkers — many with no end date for service; and caseworkers threatening to no longer refer beneficiaries in need of home healthcare services to a home care agency that will not take a client right away regardless of a written authorization. We recognize that the caseworkers, like Medicaid home care provider agencies' staff, are under-resourced, overextended, and underpaid. As a result, both see high turnover rates for staff positions. In many cases, our members report that it is becoming more infrequent to talk to the same caseworker twice about a particular client due to over-extension and high turnover — lacking continuity for Medicaid beneficiaries. In recent years, home care provider agency administrators have expressed frustration in the lack of

---

[10] As set forth by the federal long-term care cost inflation index, U.S. Bureau of Labor Statistics.

[11] Governor Donald Carcieri served from 2003-2011.

[12] Community Action Programs, a series of independent local social service agencies funded primarily through government programs and grants to reflect the needs of the individual communities in which each CAP serves. Each CAP offers various programs from health and counseling, education and employment, senior advocacy and financial services. Depending on funding and government partnerships, each CAP is managed separately and has limitations on direct government management of social services. Information extracted from the Rhode Island Community Action Association's website.

[13] Recipient Eligibility Verification System.

consistent documentation to authorize services, the lack of consistent training for caseworkers, and the lack of EOHHS[14] Medicaid program oversight of caseworkers.

Instead of correcting the problems with case management, EOHHS has targeted Medicaid home care agencies through an audit system[15] to capture how many home care agencies providing attendant care services[16] without proper written authorizations. EOHHS' over-reliance of the algorithm used without a grasp of the underlying issues in case management impacting the initiation of home healthcare services has led the Office of Program Integrity[17] to inaccurate conclusions and targeting the wrong end of the problem to improve the on-boarding of a beneficiary into home healthcare services.

Recommendations to Resolve Problems with Case Management

1) Cease all current audits and plans for future audits against Medicaid home care agencies related to problems with case management and written authorizations until caseworker training and case management procedural operations are standardized;

2) Develop or utilize a current computerized system with a secure, HIPAA-compliant[18] intranet portal accessible by both the caseworkers and the home care provider agency administrators to provide prior authorizations for new home care clients, plan of care for each client, results of initial and ongoing home care nurse assessments of each client, written authorizations for each client for one calendar year at a time that can be automatically renewed by the system if the client maintains their Medicaid eligibility and their long-term healthcare needs do not change, and written authorizations for each client have a reimbursement rate by seven-day period and not an average 4.33 weeks per month period; and

3) Allow potential Medicaid beneficiaries to apply directly for long-term services and supports eligibility determination online in order to expedite wait periods for initiating home care services, if determined eligible.

---

[14] Executive Office of Health and Human Services and its subsidiary agencies tasked with case management and program oversight responsibilities for specific subgroups of beneficiaries, such as the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, the Department of Human Services, and the Division of Elderly Affairs.

[15] RAT-STATS is a package of statistical software offered through the U.S. Department of Health and Human Services Office of the Inspector General's Audit Services Division that assist in performing random samples and evaluating the results.

[16] Personal care services include homemaking and assistance with activities of daily living (ADL), such as, but not limited to nutrition, hydration, toiletting, and bathing.

[17] A senior level entity of EOHHS charged with ensuring compliance, efficiency, and accountability within all programs and services administered by EOHHS and its agencies by detecting and preventing fraud, waste and abuse and ensuring that state and federal dollars are spent appropriately, responsibly, compliance with state and federal laws.

[18] U.S. Health Insurance Portability and Accountability Act of 1996 requirement to protect the confidentiality of health information and control healthcare administrative costs.

Problem #3 - Access to Medical and Adaptive Equipment

Home care patients and clients frequently complain about delays, by weeks and months, for accessing basic home medical equipment, such as personal oxygen, "hospital" beds, and walkers. Home care provider agency administrators have developed partnerships within their community to borrow reusable home medical equipment while patients and clients wait for these items to arrive at their home. This is a continuous struggle for home care providers and community partners as the reusable resources are becoming more scarce as demand rises and delays persist.

In addition, most home modifications, such as stair lifts, handicap ramps, and shower bars are not covered by the Medicaid program. Having access to these services in a timely manner to allow for more patients and clients to live independently with home and community-based healthcare services will delay the need of more beneficiaries requiring nursing home level of care.

Tele-health services, such as, but not limited to patient monitoring, vital sign data collection, and electronic medication reminders, are a proven and important component of healthcare today. Tele-health is vital to reducing acute care episodes and the need for hospitalizations for a growing population with chronic care needs. Allowing for reimbursement for tele-health services benefits the state healthcare system from repeat hospitalization costs and reductions of skilled-based facility care utilization. In addition, tele-health can improve Rhode Island's healthcare quality outcomes and patient satisfaction scores.

Recommendations to Improve Access to Medical and Adaptive Equipment

1) Simplify the process of access to home medical equipment to ensure that home care patients and clients receive these services in a timely manner, especially immediately following a hospital discharge;

2) Include home modification as a Medicaid benefit to allow more beneficiaries to live independently at home;

3) Allow home care provider agencies to help control the costs of Medicaid client home modification by including home modification services as an allowable expense toward their charity care program capped at one-percent of their total Medicaid reimbursement; and

4) Reimburse Medicaid home care providers for the use of tele-health services.

Problem #4 - Licensing of New Providers

On July 1, 2014, Governor Chafee[19] signed the Rhode Island Access to Medical Technology Innovation Act[20] into law. As part of the development of the bill language that was passed, the House of Representatives held a series of hearings through its Committee on

[19] Governor Lincoln Chafee served from 2011-2015.

[20] Rhode Island General Laws Chapter 23-93.

Health, Education and Welfare to investigate the Certificate of Need process and the Health Services Council's[21] role and actions for a particular home nursing care provider applicant, Pentec Health[22]. These committee hearings resulted in a broader review of the necessity for additional healthcare services within our state's healthcare system and the concern for over-saturation within the current marketplace, particularly for healthcare services provided in the home.

The intent for this new law is to provide the Department of Health ample time to conduct an inventory of healthcare facilities, equipment and services throughout the state's healthcare system. Through this inventory review, the Department of Health is required to collect data related to current availability and utilization of services and determine if there are any services that are over-saturated for necessity or demand and any services that require additional providers licensed due to service type, geographic gaps, or disparities in accessing care. Under the statute, the Department of Health is to provide a meaningful and actionable report based on the findings of this study to the Governor, the General Assembly, and the Healthcare Planning and Accountability Advisory Council on or before November 1, 2015. The results of these findings should act as a statewide healthcare system planning guide for the Health Services Council when approving new Certificate of Need applications.

It is not the intent of the Rhode Island Partnership for Home Care to discourage or deter the Health Services Council from future review of applicants with Certificate of Need requests. However, it is our intent to support all entrants into the home healthcare and hospice industry. This includes ensuring that new provider agencies will be guaranteed financial stability, a regular stream of income that may include Medicaid reimbursement, and an average daily census of patients and clients that will maintain the operations of each new provider agency. However, the Partnership has seen home care and home nursing care provider agencies struggle to survive due to the over-saturation within the current marketplace and are experiencing agency closures and consolidations — four[23] in the last calendar year alone, as well as reductions in high acuity patients and clients being served due to the lack of profitability under current reimbursement rates by the state's Medicaid program and commercial health insurers. Our association, and we hope that our state leaders would agree, does not want to see another entrant into the marketplace that is destined for financial failure, especially after the expense of pursuing the Certificate of Need process. In addition, we believe that it is the responsibility of the Health Services Council to not approve Certificate of Need applications that would generate market over-saturation of general or specific healthcare services within a region of our state or to a specific population within our citizenship.

---

[21] Entity of the Department of Health to determine eligibility for provider agency or healthcare service licensure based on community need. The Health Services Council makes recommendations to the Director of Health on issuance of Certificate of Need.

[22] Pentec Health is Pennsylvania-based, multi-state pharmacy company that provides a specific home infusion therapy service for intrathecal catheter maintenance. Pentec Health self-reported in 2012 that it was operating illegally and sought Certificate of Need by the Health Services Council. The company later withdrew their application and accused the Health Services Council for not granting them a fair process. The specific services provided are not currently offered in Rhode Island to the knowledge of the Department of Health as of January 2015.

[23] Summit Home Care on or about January 2014, Interim Healthcare on or about May 2014, Griffin Home Care on or about November 2014, and Alternative Care Medical Services on or about December 2014.

Recommendations on Licensing Future Provider Agencies

1) Conduct the Healthcare Services Inventory for home healthcare and hospice and include services by payor source — including Medicaid; and use the results as the parameter for issuing Certificate of Need to new home care provider, home nursing care provider, and hospice provider agencies; and

2) Maintain Certificate of Need for all future home care provider, home nursing care provider, and hospice provider agency applicants.

Conclusion

The Rhode Island Partnership for Home Care hopes that the Working Group to Reinvent Medicaid will carefully consider all recommendations provided during the Town Hall hearings — especially those that provide quality direct care services in the homes of Medicaid beneficiaries in every Rhode Island community everyday. Support the following values before formalizing any short or long-term recommendations to restructure the Medicaid program:

1) Commit to the rebalancing of our state's long-term healthcare system which ensures that beneficiaries receive the right healthcare services at the right time in the right healthcare environment as prescribed in the state's plan under its CMS 1115 Waiver;

2) Consider innovations and new programs that allow for more beneficiaries to live independently and safely at home with supportive services that offer cost-effective solutions over facility-based healthcare costs; and

3) Protect the financial stability of providers, most of whom are small businesses, and their staff.

Rhode Island Partnership
for Home Care

Advancing quality healthcare at home

Board of Directors

Laurie C. Ellison, RN ***President***	Mary Benway, RN ***Director***	Gregory Steiner ***Director***
Dana Cruz ***Vice President***	Kathleen Devlin ***Director***	Vincent Ward ***Director***
Jennifer Mello ***Secretary***	Cheryl Levesque ***Director***	Nicholas A. Oliver, MPA, CAE ***Executive Director***
Mary Lou Rhodes, RN ***Treasurer***		

Provider Members

A Caring Experience Nursing Service
Access Healthcare
All About Home Care
Bayada Home Health Care
Capitol Home Care Network
Cedar Home Health
CharterCARE Home Health Services
Comfort Home Care Services
Community Care Nurses
Concord Health Services
Consistent Care
Cowesett Home Care
Dependable Home Care
H & T Medicals
Health Care Services of Rhode Island
Healthy Babies, Happy Moms
Home Care Advantage
Home Care Services of Rhode Island
Home Care Solutions
Homefront Health Care
Independence Health Services
Life Care at Home
Lifetime Medical
MAS Home Care of Rhode Island
Maxim Healthcare Services
Morning Star Home Care
NewCare Home Care
Ocean State Nursing Service
Phenix Home Care
Pinnacle Home Care
Southcoast VNA
VNA of Care New England
VNS Home Health Services
VNS of Newport and Bristol Counties

Pre-Provider Members

Always Best Care Senior Care New England
Home Care Assistance of Rhode Island
Rhode Island Companion Care Services

Associate Members

Barton Gilman LLP
CHAP: Community Health Accreditation Program
ElderCare of RI LLC
LGC+D LLP

Supporting Member

Healthcentric Advisors