



HB 1335, relative to certain Medicaid appropriations

**Testimony Presented by
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My name is Susan Young, and I am Executive Director of Granite State Home Health Association, the government relations affiliate of the Home Care Association of New Hampshire, which represents licensed providers of home health care services, including the state's visiting nurse associations. I am here today in support of HB 1335.

I have come before you in the past to discuss home health reimbursement rates under the Medicaid program. While we have succeeded in obtaining modest rate increases in the past decade and have supported the adoption of a rate setting methodology for skilled home health services in 2008, we have not yet achieved adequate reimbursement levels.

Under the present rate-setting methodology, home health rates are calculated using average national costs, and then are reduced to a percentage of those costs based on several factors. So, even if the rates established in state law were paid in full, providers would be paid less than the appropriate cost to deliver services. The rate-setting methodology further states that if budget appropriations are insufficient to pay the rates in full, then a "proportionate discount factor" shall be applied, further reducing home health rates. We reluctantly have accepted this reality, and have worked with DHHS to ensure that reductions are applied as fairly as possible.

What we cannot accept as reasonable is even further reduction in home health appropriations by transfer of funds out of our budget line (called "home health care waiver services") during the course of a fiscal year when a proportionate discount is being applied to our rates. Such transfers are made by DHHS in order to cover the cost of other long-term support services that are not governed by any rate-setting methodology or cost control strategies. We don't believe such was the intent of the Legislature when the budget was adopted.

HB 1355 would prevent transfers from the home health care waiver services budget line **only** when rates being paid for services funded through that line are artificially discounted due to insufficient appropriations to support state-mandated rates. Our goal is not to diminish the Department's flexibility or impede the move toward community-based long-term care alternatives, but to support compliance with state law regarding

reimbursement for essential home health care services. We agree that the other long-term support services are helpful in maintaining some nursing home eligible individuals in their homes and communities. But, these services should not be paid for by raiding funds appropriated for **essential** medical services aimed at achieving the same goal.

We believe the Legislature adopted a rate-setting statute for home healthcare services and moved those services to a separate budget line as an expression of support for this important component of community based long-term care supports, even though the rates paid for those services are insufficient as related to appropriate cost. We ask that you again support us by forestalling actions that would ultimately erode the availability of skilled nursing and home health aide services for this very vulnerable population. Thank you for the opportunity to express our support for this legislation.