

Testimony on HB 1 and HB 2

March 5, 2015

Good evening Mr. Chairman and members of the committee. I'm Gina Balkus, CEO of the Granite State Home Health Association, which represents 40 home health/visiting nurse agencies throughout New Hampshire. Home health agencies provide a full range of services to Medicaid clients, including those enrolled in the Choices for Independence program. As you know, CFI enables residents who qualify for long term care to receive services in their homes, rather than being admitted to nursing homes. It's a great option for many seniors. Ask anybody and they will tell you they would rather live in the comfort of their own home, close to their family and friends.

This budget is a challenging one for us. We know that CFI is part of Step 2 and is scheduled to transition to Medicaid managed care on January 1, 2016. So that means that part of the funding is in the BEAS long term care line, and part of the funding may flow through the premiums paid to the Medicaid insurance plans. I'm asking you to be sure that you adequately fund these services before and after Step 2.

This funding is critical. First, it's probably no surprise to you that the current payment rates are woefully inadequate. In fact, they are *below the 2006 level*. Between 2006 and 2015, the cost of providing care has risen, but reimbursement has not. With DHHS's federal Balancing Incentive Grant, DHHS is hoping to encourage more people who qualify for long term care to choose CFI. That's a wonderful goal. But the state *needs* home care agencies to provide the services. And more and more agencies are telling me that they can't afford to provide these services because the rates simply don't cover the cost of care. Without a network of providers, who will care for these seniors in their homes? So please, look carefully at these line items and be sure that they can pay for care for *a growing population* of vulnerable seniors.

Secondly, please consider including some budget language that provides appropriate legislative oversight of the Medicaid managed care contracts. DHHS has assured us that the MCOs will maintain the current rates in the first year of Step 2. But what happens after that? How will they MCOs find savings? By either cutting rates or reducing services. If rates are cut further – no more providers. If services are reduced -- clients may have no choice but to be moved to more costly institutions.

Lastly, home care agencies support the continued authorization of Medicaid expansion. Adequate insurance coverage is essential to helping citizens receive the care they need when they need it.

Thank you for the opportunity to speak.