



Testimony in Support of SB 8, Relative to Payments to Nursing Homes

April 8, 2015

Good morning 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. Because of the services our agencies provide, vulnerable seniors who are eligible for institutional care can stay in their homes at a much lower cost to the Medicaid program.

I'm here to support SB 8. This is an important bill, and we are thankful to the long list of legislators who co-sponsored it.

Home care agencies were surprised to learn earlier this year that NH DHHS intended to use \$7 million in "unexpended funds" from BEAS's "nursing services" appropriation to fulfill a back of the budget requirement. We were appalled to learn that \$5.1 million of the \$7 million in general funds would come from the home and community-based care lines.

The first question I asked myself and others was: "how could there be unexpended funds in the CFI lines?" So far, nobody has been able to provide a definitive answer. I have reviewed data from the past and current budget briefings, along with the NH Medicaid reports and this is what I have learned:

- The average annual caseload for CFI Home health has hovered between 2400 and 2500 cases since SFY 2011.
- CFI home health rates have been unchanged since 2006.
- The CFI cost per case has been stable for several years. In SFY 14, the average annual cost per case for all CFI (home health, mid-level care and other nursing) was \$18,360. This is comparable to \$17,800 for SFY 12 and \$18,400 for SFY 13.

So if caseloads are stable, rates are unchanged, and the average annual cost per case is consistent with prior years, why are there unexpended funds?

When I posed my question to DHHS, I was told that the Department didn't know why home health providers were billing for less services. But home health providers can only bill for the services that DHHS has *authorized* them to provide. I was told that DHHS has not changed its authorization practices.

Anecdotally, home care agencies have reported that case managers are authorizing fewer visits or lower level services. For instance DHHS will no longer authorize supervisory visits by

registered nurses who oversee licensed nursing assistants, even though the Department's own rules *require* agencies to do this. A reduction in the number or types of visits could be one factor in a BEAS lower expenditures, but then why hasn't the average cost per case declined? The numbers and the explanations don't make sense.

In my opinion, DHHS should not be funding its back of the budget cut with inexplicable "unexpended funds." SB 8 clarifies the legislative intent in the last biennium and stipulates that funds in the long term care nursing classes cannot be used for the DHHS's back of the budget cut. It also states that any balance remaining in those classes must be paid to providers as a special rate adjustment.

A special rate adjustment would be welcome relief to home care agencies who have struggled to provide services at 2006 rates. The cost of wages and benefits for home care workers increases each year. It's harder and harder to recruit qualified workers to care for the growing numbers of elderly people who require services. Many agencies have made the difficult decision not to accept new CFI clients because NH Medicaid's reimbursement doesn't cover the costs. You've seen the silver tsunami presentations. You know that DHHS is trying to incent people to stay in their homes rather than go to nursing homes. But if agencies lose money on every CFI client, who will care for these fragile seniors? Taking funds from the home and community-based care lines to fill a deficit – rather than adequately paying providers – is an unwise decision. Keep in mind, home care agencies save the state money. This is where you should putting your dollars, not removing them.

I urge the House Finance Committee to pass SB 8. This is good and fair bill that prevents DHHS from funding its deficit on the backs of inadequately paid home care agencies, assisted living facilities and nursing homes. It will require DHHS to use its budgeted funds for the intended purpose - which is assuring that the state's poor and medically vulnerable seniors have access to the care they need.

Thank you for the opportunity to speak.