



Testimony in Support of SB 576
Re: eliminating the suspension of the home health rate-setting law

February 6, 2018

Good afternoon Mr. Chairman and members of the committee. I'm Gina Balkus, CEO of the Granite State Home Health Association, which advocates for home care agencies and the people they serve. I'm here today in support of SB 576.

Sen. Bradley said this bill is about planning. We agree completely.

Home health services are an important Medicaid benefit, and extremely cost-effective. For instance, it costs much less to have a wound care nurse check a patient's surgical site for infection and change bandages at home, then to keep the patient in a hospital. Likewise, it's better for clients -- and the State -- if a CFI beneficiary receives personal care services that help her remain at home, rather than in a nursing home. With our aging population, the need for home care services will continue to grow.

RSA-A:18-a requires the department to have a process to annually determine what the State *should* pay for home care services. The process must include factors that the federal government requires of State Medicaid programs: economy, efficiency, quality of care and access to care. The last two factors are critical -- quality of care and access to care. Without a regular review and update of rates, the provider infrastructure begins to disintegrate and access to care diminishes. When patients can't receive the type or amount of services they need, quality of care begins to decline. It's a domino effect.

You have dealt with similar issues before. Lack of rate updates forced hospital Designated Receiving Facilities to close, putting increased pressure on NH Hospital and creating a crisis for those who need acute psychiatric services. Inadequate funding has crippled DD services and resulted in waitlists. In 2016, after an outcry from parents, DHHS was forced to do an emergency state plan amendment to increase nursing service rates for the most seriously ill Medicaid patients. Appropriate planning -- and a realistic preview for the Legislature of what it actually costs to provide care -- could have mitigated these crises.

Ultimately, it is up to the Legislature to fund rates through the budget process. Ideally, provider rates should increase annually -- not every 10 years. We understand that there are limited resources. Nevertheless, the Legislature should have the full breadth of information it needs to

make funding decisions. Suspending rules or laws so rates can stay the same ignores the reality that staffing, insurance and operational costs increase, economic conditions change and the demography of our state shifts.

In 2015, DHHS pledged to home care providers that it would work with us to revise the rate-setting methodology for home health services. But the rules expired in 2016, and as a result of suspension of RSA-A:18-a, DHHS no longer has statutory authority to readopt or revise them. SB 576 will eliminate the suspension and get the ball rolling so you have information for future budgets. The Legislature, DHHS and home care providers all have a common goal – to take care of the people of New Hampshire who need help. I hope you will recommend this planning bill as “ought to pass” so we can continue to meet that goal.

Thank you for the opportunity to speak.