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HCA State Budget Testimony Proposes Home Care Solution to Medicaid Cost Efficiency

In testimony it will deliver today to the New York State Division of Budget, the Home Care Association of New York State (HCA) urged the employment of home care as an affirmative solution to making the Medicaid system more cost efficient.

HCA's testimony will be delivered by Thomas Buckley, CEO of HCA-member agency Visiting Nurse Association of Albany, Saratoga and Rensselaer, as state leaders weigh options for the upcoming 2009-10 State Budget in a time of severe economic instability.

In its testimony, HCA asserts that home care agencies provide vital care and a health care safety net for patients as state policies continue to focus on less costly home and community-based alternatives for delivering patient care.

"New York has made the correct and fiscally-prudent decision to restructure the health care system by more strongly relying upon home and community-based alternatives to institutional-based services," states HCA's testimony, citing several policy initiatives that have led to increased utilization of home and community-based services. "All of these efforts are predicated on a stable and well functioning home care system to meet patients' needs."

The current-year State Budget dealt enormous cuts to home care providers, including over \$40 million (state and federal shares) in Medicaid reductions enacted during the April 2008 Budget agreement, as well as \$100 million (state and federal shares) in additional multiyear cuts passed during an unprecedented emergency legislative session in August.

"We recognize that the Governor and Legislature will be examining broad areas of the budget for possible savings. However we are compelled to stress to you that any further reductions to the home care system in the context of the forthcoming budget negotiations will leave patients with inadequate or no services, causing many to turn to more costly institutional care, thus driving up Medicaid costs," HCA's testimony states.

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“If home care is further destabilized by yet additional Medicaid reductions, the state’s reform policies and the health care system itself will consequently be jeopardized, as will efforts to streamline the system and save Medicaid dollars,” the testimony continues.

In its testimony, HCA also offered several recommendations for applying the home care system in ways that complement and enhance the state’s efforts to control costs. These include:

- Stronger interventions to ensure that patients do not enter a nursing home facility prematurely and at greater cost to Medicaid;
- Wider use of home-based disease management technology to reduce the chances of hospitalization, rehospitalization, or other high-cost service use;
- Revised patient assessment tools for improved service planning and health outcomes; and
- Expanded access to New York’s Long Term Home Health Care Program (LTHHCP) – also known as the “Nursing Home Without Walls” – which provides long-term in-home health care services to approximately 30,000 patients at 50 percent the cost of nursing home care.

Considered to be a less-costly alternative to care provided in the nursing home or hospital setting, home care encompasses a broad spectrum of health, therapeutic and social services delivered at home to persons with disabilities as well as patients who are chronically ill or recovering from an illness. Home care patients include newborns requiring maternal-infant care services, children in need of therapy services, elderly patients whose chronic medical condition requires skilled nursing care or home health aide assistance, technology-dependent patients who depend on life-sustaining home medical equipment, and many others.

A full copy of HCA’s testimony can be downloaded from our website at <http://www.hca-nys.org/documents/HCAbudgettestimony102208.pdf>.

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Committed to the principles of high-quality and cost-effective community based health care, the Home Care Association of New York State (HCA) assists its members on state and federal legislation, regulations and reimbursement issues pertinent to the home health field. As the premier home health care association in New York State, HCA represents more than 400 home health care providers, individuals and associate members who collectively provide service and support to thousands of New Yorkers.