



# **HCA's Priority Asks:** **Position Home Care to Meet** **the State's Policy Goals**

Hundreds of thousands of frail, disabled and chronically ill patients across New York State receive their health care and critical services from home care agencies. Thousands of families rely on home care to enable family caregivers to work and families to function and participate in essential life activities.

Providing care in the home and community saves health care dollars and maximizes quality, flexibility and positive outcomes. Most of all, patients can be where they want to be and families can stay intact in difficult times. In addition, home care agencies are major community economic drivers and employ hundreds of thousands of nurses, therapists, home health aides and care professionals.

The health care system heavily depends upon home care for its role in enabling patients to rehabilitate at home, to age-in-place, and to prevent avoidable and costly nursing home placements, hospitalizations and emergency room visits. New York State relies on home care to achieve the state's goals to create new systems of care and to save dollars by avoiding hospital use by 25% over 5 years – and improving the community's health. These goals can't be accomplished without changes in reimbursement and support for the state's home care infrastructure.

In particular, action is needed in two basic ways to strengthen home care: 1) reimbursement fixes; and 2) budget language to enable home care to fully participate in the new health care environment.

The Home Care Association of New York State (HCA) asks that State Legislators and the Governor advance and adopt the following two priority proposals in the 2016 state legislative session and budget.

## Fix I:

Fix the state's reimbursement laws and levels to cover and reimburse needed services.

The state's reimbursement laws and levels covering home care need to be fixed, as shown in HCA's 2016 Financial Condition Report: two-thirds of agencies are operating at a loss; 15% of home care agencies find that more than 20% of their due revenue winds up as "bad-debt" (not getting paid); and over one-half of agencies have had to borrow money to pay for operating expenses in the past two years. These indicators were evident before the impact of massive cuts in Medicaid Rebasing have occurred and before workforce costs have skyrocketed.

Reimbursement fixes can be achieved by changing the public health and insurance law and by adjusting the state's payment methodologies. The fixes would address:

- **Paying managed care plans a rate to adequately cover their enrollee services by their network of home care providers.** This is fixed by ensuring that the statute governing premium/rate calculations includes critical cost factors for: workforce (see below), essential infrastructure like health information technology (HIT), mandatory clinical standards, regulatory procedures, and related factors.
- **Assurance that workforce costs are properly incorporated in the payment methodology calculations. These costs are increasing because of state and federal mandates** (worker wage parity, new labor requirements such as federal overtime rules and a proposed minimum wage increase). These mandates need to be funded by the State.
- **Fixing the state's Medicaid "Episodic Payment System" for home care,** and addressing essential cost factors as referenced for managed care.
- **Updating the long-antiquated state insurance law coverage provisions for home care agency services** covered under private insurance, to sync with home care's actual clinical use today.

## Fix II:

Pass legislation that enables home care to participate in New York's changing health care system. This saves money and improves health outcomes.

New York State's health care vision depends heavily on care to be provided at home and in the community. Despite this vision, state laws and policies are lagging behind this changing system, which is affecting home care's ability to fully engage and save dollars and enhance the patient experience.

To unleash home care's ability to fully participate in the evolving system, HCA advocates for legislation to:

- **Fast-track state regulatory changes that streamline** and better align regulations in a new system.
- **Harness home care in priority public health areas** that are critical to patient care – as well as to the state's major reform initiatives like DSRIP, Value Based Payment, and Managed Care – including: sepsis interventions, falls prevention, wound care prevention, maternal and child health, emergency response. Home care's role in each of these areas saves the state health care dollars.
- **Provide for a proactive state HIT policy for home care,** to support home care HIT capacity and integration (with managed care plans, hospitals, physicians, and other partners) for meeting state policy and transformation goals.
- **Fund the hospital-homecare-physician collaboration program** enacted in the 2015-16 state budget.
- **Improve health care quality through innovations in home care and hospice care;** and improve access to palliative care for patients that would benefit.
- **Authorize new payment and delivery demonstration models,** as well as a homecare-primary care-housecalls initiative through nurse practitioner placement in home care.

