Driving Health Care Improvement and Savings Through Home Care

Home Care’s Core Role in New Policies and Care Models

State, national and health system leaders are all turning to home care to help drive an agenda of health improvement, quality and cost savings. Home care providers are being commissioned for this task through their vital partnerships with hospitals, physicians, and other stakeholders in achieving the "triple aim" of better care for individuals, better care for health populations, and cost-effective service utilization.

This overall policy vision assumes a core role for home care in virtually every major care model and cost-savings initiative. Home care providers are being asked to coordinate and provide services to high need/complex care cases, help improve patient care transitions, prevent avoidable hospitalizations and long term care institutionalization, provide service access to remote and under-served populations, and more. Policy leaders are counting on home care's expertise and innovation for solving some of the most serious, costly and priority concerns plaguing the health system. The success of numerous priority initiatives hinges on a well-functioning home care system.

Home Care is vital to:
- The state-mandated enrollment of individuals into managed care;
- Operation of the state’s new Fully Integrated Duals Advantage (FIDA) program, implemented on January 1, 2015;
- Implementation and operation of the Delivery System Reform Incentive Payment (DSRIP) program, beginning in April;
- Avoidance of state and federal financial penalties on hospitals for readmissions;
- Successful implementation of the state’s health home initiative; and more.

The dependence on home care in today’s policy environment is exceeded only by the direct and increasing needs of elderly, chronically ill and disabled individuals looking to home care as a means to remain independent and healthy at home, especially as the population ages.

For the sake of better health, lower costs and improved system operation, home care must be available, supported, and at the ready.

2015-2016 State Budget Actions Needed to Equip Home Care to Meet State Goals and Citizens’ Needs
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Enabling Home Care to Fulfill the State’s Health Program Goals and the Needs of NYers

New York’s home care community asks the Executive and Legislature to adopt the following support measures so that home care can best fulfill the state’s intended service, health outcome and cost-reduction policy goals, and ultimately the needs of New York’s citizens.

Health Information Technology and Clinical Technology Development – Connecting and Unleashing Home Care Innovation and Integration

Requested State Action: Finance and Incentivize Home Care Technology

Incorporate provisions in the 2015 state budget to invest in health information technology and integrated clinical technology for home care. Such investments should be targeted to promote care quality, cost-effectiveness, care management, and integration of home care within provider systems, between sectors, and with regional and statewide health information systems. These home care technology efforts can be accomplished through adjustments to managed care and managed long term care premiums, adjustments to provider fee-for-service rates, the addition of technology investment as a criterion for quality incentive payments to managed care plans, inclusion of home care technology investment as an explicit expeditation of all Performing Provider Systems seeking DSRIP funds, and other measures.

Why it is needed: Health information technology and clinical technology are at the core of every aspect of health facility/gency operation; they are integral to service delivery, quality evaluation and outcomes, cost-effectiveness and administration. However, state, federal and private payors have long overlooked home care in the health IT development arena, even though virtually every new state policy and care model requires this kind of technology infrastructure and interoperability to succeed.

Update Health Coverage/Payment Innovation to Reflect Home Care’s Current Role

Requested State Action: Update State Insurance Law Provisions for Home Care

Incorporate provisions in the 2015 state budget to modernize the long-established insurance law coverage provisions for home care, which would support patients, the overall system and Medicaid savings.

Why it is needed: The current home care coverage provisions, adopted in the early 1970s, were designed for the health care system at that time. Back then, hospitals were reimbursed per diem and without today’s limitations on length of stay; nursing homes were the primary option for chronically ill patients who lacked family support; and home care itself occupied a very narrow niche versus its heavily relied-upon, core role in today’s system. Simply put, the types of system that framed these original insurance provisions bear little resemblance to the health care systems of today.

The time is ripe for insurance reform to: eliminate artificial limitations; create a framework that reflects today’s home care service structure; and cover home care/partner innovations in care transitions, care management, telehealth, etc. These changes are essential to patient access, the efficient and effective operation of our health care system, the lowering of costs and the avoidance of Medicaid spend-down/long-term institutionalization for many patients.

Ensuring Adequate and Efficient Managed Care-Provider Payment

Requested State Action: Amend the Managed Care-Home Care Payment System

Incorporate provisions in the 2015 state budget to ensure that rate methodologies for managed care and managed long term care premiums, as well as the ensuring payments to providers, are adequate to meet plan/patient/patient needs and fulfill state public health goals and mandates. The same standard is also necessary in the state’s direct payment to providers.

Why it is needed: The current state payment structure for the managed care/home care model is not adequately supporting service goals and requirements. It also does not incorporate the desired efficiencies for plans, providers and taxpayers, nor does it ensure workforce stability. Additionally, the Department’s direct payment methodologies for home care similarly need responsiveness to the changing system and both workforce and service needs. Payment standards must be developed which ensure that managed care premiums and provider payment rates are adequate to meet the needs of: enrollee services, maintenance of a qualified home care workforce, and “public goods” (such as staff training, capital, public health, etc.). Payment standards must also cover the cost of essential supports formerly included under fee-for-service – but now relegated to rate negotiation – as well as the significant costs of state and federal mandates, such as the wage parity law, changes to the federal companionship exemption, the state’s pre-claim “visit verification” requirement, added supervision/training requirements associated with the anticipated new Advanced Home Health Act: disease description, and other mandates. The managed/care/home care financing system also must promote efficiency by: supporting the well-established and cost-effective home telehealth program; streamlining billing and payment procedures for providers and plans through standardized codes, uniform billing and other procedures; and addressing through the managed care quality incentive pool criteria and other means, adherence to prompt/pay/claim payment standards.

With regard to direct agency payments, DOH will be releasing the Medicaid payment methodology for certified home health agencies, the outcome of which (i.e., the payment level and responsiveness to critical needs) will be crucial for both these agencies and subcontracting licensed home care services agencies.

Aligning and Streamlining Home Care-Managed Care Regulation

Requested State Action: Authorize DOH Regulatory Flexibility & Fix for this Model

Incorporate provisions in the 2015 state budget to add specific DOH waiver authority and directives to implement existing recommendations already made by the State Workgroup on Home and Community Based Care for streamlining and aligning managed care/home care regulations.

Why it is needed: The State Legislature and Governor adopted a state policy that mandates enrollment of long term home care patients into managed care. The model calls for managed care plans and home care agencies to contract with one another for the delivery and financing of care. However, the regulatory provisions for managed care and home care continue to govern each respective sector in fragmented silos, rather than reflect the new contractual, integrated model enacted into statute. This lack of realignment has left in place overlapping, conflicting, confusing, excessive and costly duplications. In 2013, the Legislature and Governor created, and in 2014 reviewed, a Home and Community Based Care Regulatory Workgroup to make recommendations on alignment and streamlining of regulations for the new system. Additionally, a coalition of state health associations has been working diligently to support this effort. The Department should be given the authority and directive to act promptly and thoroughly on the workgroup’s and provider/health plans/association recommendations.

HCA will be providing specific legislative, budget and/or administrative language as necessary for the adoption of these critical home care proposals.

Facilitating Home Care Innovation & Participation in New Models

Requested State Action: Amend the Law to Encourage Innovation & Remove Barriers

Incorporate provisions in the 2015 state budget amending Article 36 and respective portions of the Public Health Law to facilitate home care innovation and participation in new models and partnerships for care, such as: new types of home care partnership initiatives with hospitals, physicians, long term care facilities, behavioral health, and others; participation in ACOs and Health Homes; home care/hosting/community services combinations; telehealth innovation; new innovations in care and agency service lines, and other.

Why it is needed: The state has created and encouraged formation of new models and partnerships for care. Such partnerships include home care and behavioral health providers, physicians, nursing homes, hospitals and others. In keeping with the state’s assumption of a prominent role for home care in these designs, the governing statutes should be amended to better promote home care’s participation and innovation.

Quality Enhancement

Requested State Action: Finance and Incentivize Advances & Innovation in Quality

Incorporate in the 2015 state budget some set-aside funds and programmatic provisions for quality innovation and enhancement for home care.

Why it is needed: So many opportunities exist for the state to pursue quality advancement and cost-savings by fostering home care’s development of best practices, clinical protocols, clinical pathways, evidence-based practice, technology, staff training, specialty care development, quality risk assessment, quality benchmarking, and other initiatives. The HCA Quality Committee has developed groundbreaking proposals for home care quality advancement in all of these areas. However, no dedicated funding pool currently exists to help seed these quality innovations for home care, which would carry benefits to all sectors – and, above all, benefits to patients.