



NATIONAL ASSOCIATION FOR HOME CARE & HOSPICE (NAHC) Key Legislative Issues for Today and Tomorrow 2004

As the US approaches the beginning of the baby boom generation's movement into retirement, all demographics point to an overwhelming demand for health care services. The combined need for continued acute care services with an expanding need for care of chronic illnesses will tax an already stressed system. Home care and hospice present themselves as viable means to efficiently and effectively meet these needs.

The nation's governors have identified the country's long term care system as in urgent need of reform; increased availability of home- and community-based care must be part of the solution. In addition, the Administration's aggressive pursuit of expanded availability of home and community-based services for the disabled as the result of the US Supreme Court decision in Olmstead underscores the vital role of hospice and home care in our nation's health care system.

Despite the apparent future, the Medicare home health benefit has been seriously eroded and access to care has become a concern, particularly for patients with care-intensive needs. Data from the Centers for Medicare & Medicaid Services (CMS) indicate that in the three years following implementation of the BBA, the number of Medicare beneficiaries receiving home health services annually dropped by about 1 million, or nearly 30 percent. The Medicare Payment Advisory Commission (MedPAC) estimates that in the first calendar year (2001) following implementation of the prospective payment system (PPS), an additional 300,000 beneficiaries lost home health services annually. Since October 1997, more than one-third fewer agencies are available to serve Medicare beneficiaries nationwide.

It is clear that the upheaval that began with the Balanced Budget Act of 1997 has continued into the new payment system, and that the stability that the industry has sought over the last few years has not materialized. At the same time, agencies are experiencing record difficulty in recruiting and retaining staff needed to adequately serve the growing population of disabled and elderly patients. Hospices and home health agencies are hard pressed to compete with other health care employers that offer better wages, better benefits, lighter workloads, and better hours.

To meet increasing regulatory demands, incorporate necessary efficiencies, and provide the highest possible quality of care, agencies must avail themselves of the latest technological advances to streamline operations and incorporate cutting-edge care techniques. However, agencies continue to experience difficulties in gaining access to necessary capital.

These are the challenges facing home care and hospice in the early 21st century, and the context within which the National Association for Home Care & Hospice (NAHC) has chosen the following issues as the focus of its legislative activities during the year 2004. Central to NAHC's mission is to preserve and expand access to home- and community-based care; to ensure an adequate supply of skilled workers to provide that care; and to protect the rights of both patients and providers.

PRESERVE AND EXPAND ACCESS TO HOME- AND COMMUNITY-BASED SERVICES.

- A. Enact a comprehensive long-term care system and expand access to home and community-based services by:**



- Enacting a comprehensive home- and community-based long term care program;
- Reforming long-term care insurance standards;
- Establishing a home and community-based waiver program under Medicare;
- Increasing federal Medicaid payment to states and requiring Medicaid coverage and reasonable reimbursement for home care, hospice, and personal care services; and
- Establishing increased federal matching to states for programs to encourage home care.

B. Reject reform proposals that threaten existing access to care by:

- Opposing cost-sharing for home health or hospice services;
- Rejecting any proposed profit or loss (risk) sharing under the home health PPS;
- Opposing proposals to bundle home health and hospice payments with payments to other providers; and
- Opposing expansion of home medical equipment (HME) competitive bidding.

C. Address inequities in the Medicare home health PPS by:

- Restoring the full market-basket update and the 10 percent rural add-on;
- Ensuring an equitable PPS with an adequate case-mix adjuster; and
- Reforming the significant change in condition (SCIC), partial episode payment (PEP), and outlier adjustments under PPS.

ENSURE AN ADEQUATE SUPPLY OF QUALIFIED HOME CARE AND HOSPICE CAREGIVERS BY:

- Providing sufficient home care and hospice payments for appropriate wages and benefits as well as enact a wage pass-through under Medicare and Medicaid;
- Reimbursing agencies for full costs of OASIS and streamline OASIS collection and reporting requirements;
- Improving the application of the wage index for Medicare home health and hospice services;
- Supporting proposals that provide affordable health insurance for uninsured, low-wage workers; and
- Allowing nurse practitioners and physicians' assistants to sign home health plans of care.

ENCOURAGE THE USE OF ADVANCES IN TECHNOLOGY TO STREAMLINE OPERATIONS AND IMPROVE PATIENT CARE BY:

- Recognizing telehomecare as a bona fide Medicare service and instituting a pass-through for improvements in computerization of patient care; and
- Updating the PPS payment rates to provide investment support for technological advances that are instrumental in delivery of the highest quality of care.

FIGHT FRAUD UNDER FEDERAL HOME CARE AND HOSPICE PROGRAMS BY:

- Establishing minimum qualifications for home health agency and hospice administrators;
- Expanding guidance from the OIG regarding "best practices"; and
- Creating "peer group" councils of health care providers to advise HHS, CMS, and the OIG on noncompliant practices and to establish enforcement action priorities.

(3/24/04) For more information, contact NAHC Government Affairs, 202-547-7424