Presented to:
Iowa Medicaid Elderly Waiver Program Study Committee

Presented by:
Iowa Alliance in Home Care

Mark Wheeler, Iowa Alliance in Home Care
Elizabeth Sutter, Iowa Health Home Care
Andy Bagchi, Iowa Home Care

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Iowa Medicaid Elderly Waiver Program
Home Health Issues & Recommendations

Background

The Iowa Alliance in Home Care represents Medicare-certified Home Health Agencies and other providers of in-home health services throughout Iowa. Services provided to Iowans under the Medicaid state plan and waivers are a major source of reimbursement for most home health providers in Iowa. As a result, we are pleased to have the opportunity to submit what we believe are the key Iowa Medicaid Elderly Waiver issues along with associated recommendations to the study committee.

Issues

The issues that we have identified with the current Elder Waiver program include:

1. **Low Rates** - Rates are lower than providers' calculated cost per hour. Many providers have had to cap their waiver program to conserve financial and human resources. An annual inflation adjustment is required.
2. **Revised "Service" Definition** – A broader definition of the term "service" is required. It should also include the time spent travelling to a patient's home as part of the overall service time.
3. **Nursing Services Coverage** - Hourly Nursing Services are currently not covered.
4. **Waiting List Service Delays** - In some areas of the state, long waiting lists cause delays in providing services to individuals at risk for nursing home placement.
5. **Excessive Regulatory Requirements** – These add to the cost of providing the service.
   Example: The new Quality Assurance Program for which we are not reimbursed.
6. **Direct Care Worker Shortage** – There are not enough providers of direct care.
7. **Case Management / Professional Assessment Disconnect** – With recent changes to the case management program coupled with non-professional/non-nursing personnel performing assessments we believe that there are a lot of people getting missed that could be receiving services.
   Example: When a nurse performs an assessment the individual's socks and shoes are removed and the feet are looked at. This process often yields important health information (i.e. when they last had a bath, nails trimmed, sores, purple color). In addition, nurses know to recognize duplicate meds, med errors etc.
8. **Emergency Response System** - Needs support from the interdisciplinary team when setting up the consumer service plan. Highly cost effective way of keeping our elders safe at home.
9. **Home Telemonitoring Reimbursement** – There is currently no reimbursement for telemonitoring services. There needs to be funding under the program as this technology helps to extend limited provider resources and offers significant costs savings for the program over the long run.

Recommendations

1. **Increase Provider Rates** - The committee should consider the need for immediate revision of rates. There have been no inflation adjustments for the last four years for the elderly waiver program. The program is still maintaining the 2004 rates. Unless the rates are increased by at least 25%, more and more providers will withdraw from the program. The current rates barely cover the direct cost of providing the services.
2. **Increase Funding to Reduce Waiting Lists** –
3. **Streamline the Quality Assurance Program** – This requirement should be streamlined to meet the needs of home health. In-patient facility rules do not fit home care patients but we are required to complete this form.
4. **Home Telemonitoring Coverage** – Reimbursement for telemonitoring services for self management will lower the need for more costly rehospitalization.
5. **Revamp Direct Care Worker Training Requirements**
6. **Billing Procedure Policy Change** - The committee should consider changing the billing policy. Providers should be allowed to bill for each encounter in whole units rather than accumulating the entire month's actual service hours and rounding off to whole number while filing the claims. Otherwise, especially CDAC cases become financially infeasible. The agency loses money in one hand and the care givers are not willing to do the case as their hourly return is lower than their normal return. So, a win-win situation is possible only when the committee consider amending the way of billing each encounter.

7. **Include Travel Time** - The committee should consider drive time (driving to patient home and **not** driving from patient home) as part of the service time. This is because driving to patient home is directly linked to providing care to the patient. So, it is incidental to the main event of providing patient care and should be an element of service time. An agency is spending,on average, $10.00 on mileage for each encounter.

8. **Increase Public Awareness** - The committee should look towards increasing the general awareness about the program. It has been observed that consumers have comparatively less knowledge about the program and the eligibility criteria.

9. **Include Professional Assessment** - More involvement of professionals is required during the service plan set-up stage. It is a myth that non-professional doing assessment will save money for the program. This approach may be profitable in short-term, but ultimately it hits the healthcare industry hard by decreasing the quality of care and increasing the number of unsatisfied consumers, and ultimately bringing patient outcomes downward.

10. **Emergency Response System** - Keeping our elderly safe at home alone (24x7), at $1.00 per day, makes good sense. The committee should consider allocating more funds towards the emergency response system. The committee should consider expanding the definition of emergency response system so that more players can enter the market and ultimately leading to reducing the cost of 24X7 Elderly Watch. The committee should ease the terms and conditions of entering the Medical Dispenser Unit retail market. Increases in quality and

reduction of price is only possible in Monopolistic competition. Conditions like getting a DME license for providing Medical Dispenser system creates barriers to entry.

11. **Home Telemonitoring** - The only solution to fight the Nation-wide nursing shortage. Tele-health will allow the program to save huge amounts of money by minimizing nursing and skilled level care. The saved dollars can be invested towards better quality consumer care. The dollar saving will itself finance the goal to bring more consumers under the program.