THE VAHHA VOICE

The Newsletter of the Vermont Assembly of Home Health Agencies

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Home Care Delegation Travels to Washington

Stopping Copays Tops Vermont's Wish List

This June, a three-person delegation from VAHHA traveled to Washington, D.C. to push the home care agenda. Ron Cioffi, Rutland VNA & Hospice Executive Director; Julia Maroney, Bennington Area Home Health Executive Director; and Peter Cobb, VAHHA Director, attended the home care advocacy week. The three top priority items for Vermont home care are preventing any home care copays, restoring the 10% rural add-on, and fixing the wage index. Also on Vermont's wish list are pumping more federal money into Medicaid, establishing a federal long term care program, assuring that the market basket index is raised this year and beyond, and ending the paperwork nightmare.

All three members of Vermont's Congressional delegation said basically the same thing - The rural add-on probably will be restored but at 5% not 10%; the wage index needs fixing; copayments could happen but they will fight them; privatizing Medicare is a stupid idea; Medicaid needs more federal money; Medicaid block grants are a bad idea; and everyone in Washington is focused on the prescription drug bill.

At a legislative briefing held during the conference, the National Association for Home Care (NAHC) presented a draft report on the impact of Prospective Payment System (PPS). Among the conclusions (based on 6,314 cost reports) are:

- The average profit margin (not including adjustments) since PPS began and before the October 2002 and April 2003 cuts, was 7.12%. The average profit margin for 2002 was 5.15%. Each is considerably lower than reported by Medicare.
- The variations among the agencies and among the states are huge with a profit range from -30% to plus +30% or more. (Every single agency in Oklahoma lost money last year while in some states just about every agency made money.)

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Hospice Council Sponsors Fifth Annual Bear Creek Retreat

The 5th Annual Bear Creek Retreat is scheduled for three days at Lake Morey Inn in Fairlee, starting October 20th The retreat gathers a small group of hospice physicians, nurses, chaplains, counselors, and administrators from across the country, who brain-storm end-of-life-caregiving and caring stratagies for the professional.

Virginia Fry, Director of the Hospice & Palliative Care Council of Vermont, has been involved with the Bear Creek Retreats since they originated in 1999 in Missoula, Montana with Dr. Ira Byock and Dr. Patrick Clary.

On October 20, Dartmouth Hitchcock Medical Center is sponsoring a day-long session, "Being With Dying," with Dr. Joan Halifax, a medical anthropologist, author and Buddhist teacher from Santa Fe, New Mexico. Bear Creek Retreat participants will attend this session then adjourn to the Lake Morey Resort to continue exploring the spiritual issues of caring.

Dr. Joan Halifax writes this about the workshop: "Compassionate Care of the dying is learning to be truthful and open in the immediate experience of death. Each caregiver brings her or his whole self into relationship to the whole self of the dying person and their community. In this workshop we will explore how our perceptions of death shape the care we give. We will discuss the spiritual dimensions of dying and its relationship to centered care, and examine issues related to the experience of pain and suffering, loss and grief. Obstacles to caregiving and ways to work compassionately, as health care professionals, will be explored to meet the challenges of being with dying."

"Stilling the Waters" is the theme of this Bear Creek Retreat, and new participants from Vermont and New Hampshire's extended hospice communities are invited to attend.

Bear Creek Retreats in past years have also explored "Wading in Cultural Waters," in Asheville, North Carolina,

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The Caregiving Puzzle - Hospice Training Program Offered At Central Vermont Home Health & Hospice

Central Vermont Home Health and Hospice (CVHHH) is offering a free training program designed to help families and friends care for a loved one in the last years of life. Louise Rauh, CVHHH's Hospice and Palliative Care Counselor, is the trainer for this innovative curriculum to be offered to some 50 caregivers in the Central Vermont community. Louise is a Licensed Mental Health Counselor.

The six-month program, *The Caregiving Puzzle*, is based on a national needs assessment of more than 900 family caregivers. The training program, which started in June, is free of charge and open to anyone in Central Vermont caring for a friend or family member. Designed to help caregivers cope with changes, losses, and life transitions, the training includes topics such as how to say what is important, exploring the spiritual aspects of caregiving, talking about end-of-life care, understanding the choices available to families and their loved ones, knowing what to expect as caregiving becomes more complex, providing comfort and dignity near life's end, how to make difficult - yet important decisions, and planning for the future.

"Caregivers need more education, support and services," says Diana Peirce, CVHHH Director of Hospice and Palliative Care. "We would like to work with the community to help meet those needs, and support caregivers so they can find meaning in the caregiving experience. Our agency is committed to helping those who give the greatest gift of all - providing care and support for a family member or friend in the last years of life."

CVHHH's Caregiver Training is being held every Tuesday morning from 10:00 to 11:30 at the CVHHH office, 600 Granger Road, Berlin. Community members may join the training program at any point between June and November. For more information, call Louise Rauh or Diana Peirce at 223-1878.

Rutland Area Visiting Nurses Association & Hospice and Community Health Partners Awarded $558,00 Grant

The Rutland Area Visiting Nurse Association & Hospice in conjunction with Rutland Mental Health, and Rutland Regional Medical Center, will partner together to provide specialized mental health, substance abuse, and health-care services to residents of five housing sites managed by the Rutland Housing Authority. The facilities, located in Rutland County, are home to over 250 people, mostly low income senior citizens and some low income people with disabilities.

"Congregate housing was an ideal place to establish a model for an interdisciplinary approach to providing comprehensive mental health care," said Ron Cioffi, Executive Director of the Rutland Area Visiting Nurse Association & Hospice. "Often our staff is the first line of defense in recognizing the signs of untreated mental illness." Administered by Rutland Mental Health, the grant will also incorporate psychiatric therapy groups, support groups for chronic diseases, and educational opportunities for residents.

The grant provides $558,000 over three years and was part of $13.8 million awarded to 73 programs in rural areas nationwide by the U.S. Department of Health and Human Services.

RAVNAH is the third largest Visiting Nurse Association in Vermont and serves the 60,000 people in the greater Rutland area. The agency makes more than 80,000 home visits a year to more than 2,300 Vermonters. The agency offers a full range of home health services including hospice care and Medicaid Waiver services.

RAVNAH Receives Approval for Building Expansion

The Rutland Area Visiting Nurse Association & Hospice (RAVNAH) recently received Act 250 approval to begin a 7,344 square feet expansion of their current headquarters in Rutland. The expansion will nearly double the current size of the building and provide much needed meeting and storage space along with additional parking. Groundbreaking for the project is planned for September.

"We are thrilled to have received approval to move forward," said Ron Cioffi, Executive Director of RAVNAH. Working in conjunction with the Rutland Health Foundation, RAVNAH will embark on a million dollar capital fund drive that will help meet the costs of the expansion.

Over 150 Attend VNA/VNH 12th Annual Meeting

Over 150 donors, clinicians and staff, board members, and community leaders attended the annual meeting of the Visiting Nurse Alliance of Vermont and New Hampshire, held at the Quechee Club June 10. This was the 12th annual meeting of the corporation.

Governor Jim Douglas, the keynote speaker, thanked the VNA/VNH staff for their work and said he has long been interested in health care issues and understands the importance of quality long-term care, whether it is institutional or home care. He believes the preference is clear in Vermont because care in the home is a large percentage of the Medicaid budget. He said the state has been examining and projecting long-term needs for long-term care. Nursing homes are needed, but he reasserted his commitment to what Vermonters tend to prefer.

Alliance CEO Susan H. Larman presented a comprehensive overview of the struggle that the VNA/VNH and the home care industry have experienced in the past few years due to unprecedented cuts in Medicare reimbursement. Despite tough times, Ms. Larman reported that VNA/VNH's operations in 2002 focused on financial stability and clinical excellence. The VNA/VNH improved its financial performance through consolidating its branch offices; enhancing efficiencies; streamlining processes; and enhancing clinical assessment skills.

Among the achievements Ms. Larman discussed were improved VNA/VNH cash position; the provision of significant raises to employees; improved VNA/VNH health benefits; selection and implementation of a new information system; and shifting the quality focus toward evaluating care based on patient outcome measures and identifying and adopting best clinical practices. As she spoke of the challenges of the past and the success of the present, Ms. Larman also warned that diminishing reimbursement in 2003 could spell trouble in the future.

New Hampshire, Vermont, Maine - One, Two and Three Again

New Hampshire, Vermont and Maine, scored first, second and third in the latest report from the Centers for Medicare and Medicaid Services (CMS) on the quality of health services provided to Medicare beneficiaries.This ranking mirrors the results of a similar study reported in January, 2000.

The report studies seven major clinical areas - acute myocardial infarction, cerebral vascular accident, heart failure, diabetes, mammography, pneumonia, and vaccinations.

"Continued improvement in the seven clinical areas is not a coincidence," said Robert Aurilo, Chief Executive Officer of the Northeast Health Care Quality Foundation (NHCQF), the organization responsible for monitoring health quality in Northern New England. "Health care in these states is simply high quality," he said.

"NHCQF would like to recognize your part in this remarkable result," Aurilio wrote in a letter to health care physicians in the three states. "Your partnership and collaboration with the other health care providers, health care organizations and the Northeast Health Care Quality Foundation fostered this performance."

Retreat - *continued from page 1*

focusing on end-of-life care for Black Americans; and in Death Valley, California, using Native American traditions of "Vision Quest" for transitioning the dying. This year the Bear Creek Retreat will take place in New England and concentrate on issues of spirituality, a potent ingredient in the fight against pain, and a great source of comfort for patients, families, and professional caregivers.

The beautiful setting of the Lake Morey Resort will offer time and space for in-depth exploration of these issues, personal sharing of hospice stories, a variety of meditations including sitting, yoga, hiking, sand-tray therapy, and an optional field trip to the nearby Buddhist Center—Karma Choling.

Anyone who wants to participate in the 5th Bear Creek Retreat must register with Darthmouth-Hitchcock Medical Center with Joan Halifax by October 20, by calling 603-653-1531. The fee is $85 and includes lunch. To register with Lake Morey Resort for Monday Oct. 20 through Thursday noon Oct. 23, call 800-423-1211. Rates are $106 for double, $126 for single per night and include breakfast and dinner. Swimming, golf, boating, etc. are available.You can also register with Virginia Fry at HPCCV at 802-229-0579 for a $35 commitment fee only (plus meals).

For events (including details on the Bear Creek Conference) and job listings, visit

www.vnavt.com

To post home care or hospice information on this website, send information by e-mail to vahha@adelphia.net or by fax to (802) 223-6218.

Congress Should Eliminate the Recent Medicare Payment Reductions to Home Care

VAHHA representatives Peter Cobb, Ron Cioffi and Julia Maroney presented the following home care position paper to Vermont's Congressional delegation in a recent home care "March on Washington".

On October 1, 2002, and again on April 1, 2003, Medicare reduced the home care rates paid under the Prospective Payments System (PPS). The total reductions to the 12 Vermont agencies were between 14% and 17%. The total loss in revenues here could exceed $8 million this year alone, as Medicare PPS represents 46% of the average net patient service revenue in Vermont.

The October cut was mandated by the Balanced Budget Act of 1997. Several unsuccessful attempts have been made to eliminate both reductions. The main reason given against restoring the across-the-board reductions made in October, and the rate reductions to the rural agencies, made in April, is that the home care agencies are flush with money and can easily afford these cuts.

That is not true in Vermont. The average operating surplus was only 4% in 2002, hardly excessive. These reductions have forced some agencies to postpone or eliminate wage and benefits increases, at a time when recruiting and retaining competent staff is a significant problem.

In the meantime, the average cost of home care services continues to rise. Since 1998, the average cost has risen 71%, 17% higher in the past year alone. These increases in visit costs are due to the increased costs associated with the nursing and other staffing shortages and to the added administrative burden caused by a variety of sources, from HIPAA, to OASIS, to PPS, to OBQI, to claims reviews and more. The staffing shortage has required the agencies to increase compensation to nurses and other direct care staff in order for the agencies to be competitive with other employers. The increases in compensation have been significantly greater than the Medicare inflation factor. Personnel related costs represent over 80% of a VNA cost to provide a visit. Therefore, when the Medicare rate is not raised to reflect the added staffing costs, agencies lose money.

In addition, the administrative burden of documenting a visit not only has resulted in added costs but also has resulted in the nurse spending less time with the patient. In response, many home care agencies have purchased or are considering point-of-service technology that enables clinicians to use laptops or similar devices in the field to meet the administrative burden as efficiently as possible. The estimate of the cost of point of service will increase the skilled nursing care visit cost by an additional $6 to $8 per visit.

The government grossly underestimated the impact of the Balance Budget Act of 1997. VAHHA members are concerned that recent rate reductions combined with increases in visit costs will create a scenario similar to 1997, when over 30% of the Medicare certified providers in the country went out of business. In addition, these reductions are unnecessary and inappropriate. The budget target for reductions in home health spending was achieved without the cuts. The BBA was anticipated to reduce projected home health outlays by $16 million form 1998 to 2002. The reduction, however, was far more than anticipated. Projected reductions in payments for Medicare are now estimated at more than $70 billion.

The greatest danger, at least in Vermont, caused by inappropriate governmental budgeting, is in the ability for VNAs to provide future services to indigent patients. All 12 VNAs in Vermont subsidize services to Medicare patients and others. Unless these cuts are eliminated, Vermont agencies may not have the financial resources to provide services to all patients who need care but do not have the ability to pay.

Eastern Star Sends More Money To VAHHA Member Agencies

The Eastern Star Home, Inc. and the Grand Chapter of Vermont Order of Eastern Star have once again sent generous donation to the VAHHA members. This year's donation was $3,743.85, $312 to each of the 12 Vermont agencies. This is fifth year in a row that these two groups have donated funds to the home care agencies. The total donations received over the five years exceeds $30,000. The Eastern Star organization donates over $120,000 each year to a variety of charities throughout the state. Grant recipients include dozens of Vermont social service groups.

Vermont Assembly of Home Health Agencies Federal Legislative Priorities For 2003

Recommendations:

- **Copayment** - Congress should not add copayments to the home care benefit.
- **10% Rural Add-on** - Congress should restore the 10% rural add-on that was eliminated April 1, 2003.
- **Regulatory Burden** - Congress should lessen the regulatory burden on home care agencies.
- **Long Term Care/Young Disabled -** Congress should enact a comprehensive home and community-based long term care program.
- **Wage Index -** Congress should assure that Medicare provides equitable application of the wage index to home health.
- **Market Basket Updates -** Congress should fully restore the reduction in the market basket update for home health services for FY 2004.
- **Medicaid Match -** Congress should increase the federal match for state Medicaid programs.

Rationale:

Copayments - The Congressional Budget Office (CBO) and the Medicare Payment Advisory Commission (MedPAC) have presented Congress with several options to further reduce expenditures of the Medicare home health benefit, including home care copayments. Home health copays will not work and will result in significant cost shifts to the agencies. The CBO plan would impose a 10% copayment on the home care benefit. This option makes no sense for several reasons. First, point of service collections are not feasible for home health. Home care services in Vermont are provide by more than 3,000 nurses, therapists, and home care aides. To make each of them also a bill collector is ludicrous. With point-of-service collection not an option, the only other option is to bill the patient. We believe the cost to collect these payments would add, unnecessarily, thousands of dollars to our costs and could exceed the payments themselves. More importantly, adding copayments would restrict access to home care because many patients, who need home health services but who cannot afford the copayments, would not get the help they need. This would result in worse health outcomes, would increase institutionalization in hospitals and nursing homes, and would prove costlier for the Medicare program.

10% Rural Add-on - As part of the Benefits Improvement and Protection Act (BIPA), Congress enacted a 10% add-on for care delivered in rural areas. This "add-on" was eliminated April 1 of this year. This reduction cost Vermont agencies several million dollars, on top of the fact that the agencies lost an equal amount last October. Congress should permanently restore the 10% add-on to cover the added costs to deliver home care in a rural setting.

Regulatory Burden - Congress should enact regulatory reform which would lessen the costly paperwork burden on home care agencies. Congress should:

- Reduce the OASIS (federal quality assurance reports) requirements and fully reimburse agencies for OASIS costs.
- Limit OASIS items and requirements to those that are valid, reliable and necessary for payment and quality measurements.
- Refine the claims review process so that it is predictable and productive rather than punitive, labor-intense and costly.
- Limit medical review to 4% of claims except in cases of demonstrated cause.
- Promote paperwork reduction by eliminating duplicative and superfluous information requests. New policies and forms that would increase paperwork should not be instituted without a cost-benefit analysis that supports implementation. Providers should be appropriately compensated for all added costs of additional paperwork.

Long Term Care/Young Disabled - Congress should establish a long term care program. At present, Congress relies on Medicaid to provide long term care services. Medicaid programs are greatly different from one state to the next, both in eligibility and scope of services. The Medicare program was

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Caledonia Home Health Care Receives National Accreditation

In a recent survey by the Community Health Accreditation Program (CHAP), the Caledonia Home Health Agency not only was found to be in full compliance with all Medicare regulations for home care and hospice services, but also the agency exceeded the CHAP standards in four areas.

In February, Caledonia Home Health Care had an unannounced visit by two surveyors from CHAP, a national home health care accrediting body. The CHAP surveyors spent a full week reviewing policies, procedures, committee minutes, making home visits to clients receiving home care and hospice services, and interviewing staff.

In early May, the official letter from the CHAP Board of Directors was received by the agency confirming the results of the survey and accrediting the agency for the next three years. The agency was commended for exceeding standards in the following areas:

"The corporation is commended for intensive scrutiny of client outcomes. The Home Health agency scored at or above the national reference for risk adjusted outcomes in 20 out of 27 indicators for Activities of Daily Living and Indirect Activities of Daily Living."

"The organization is commended for exceeding the minimum requirements for paraprofessional in-service and continuing education. Home Health aides received an average of 16.5 hours in 2002. Home Care Attendants, Personal Care Attendants received an average of 15.6 hours in 2002."

"The organization is commended for its innovative symptom control program. The organization, along with a local pharmacy, developed a "Symptom Relief Kit" to help relieve the major symptoms of the final phase of life utilizing topical medications. The kit was developed to avoid the problem of contacting the physician and locating medication in the middle of the night and to decrease emergency room visits. It is meant to get the patient and caregiver through the night until the physician can be notified the next day."

"The agency is commended for its volunteer service program which documents and maintains a volunteer staff sufficient to provide administrative or direct patient care significantly above the 5% of total patient care hours in the Hospice program. In 2002, the agency documented quarterly volunteer hours as 21%, 22%, 29% and 22% of total care hours.

This accreditation is a voluntary process and denotes excellence in provision of home care services. Caledonia Home Health Care is a division of Northern Counties Health Care, Inc. and provides home care services to Vermonters in Caledonia and Essex Counties.

Priorities *continued from page 5*

designed as an acute care program to provide needed services on an intermittent, short-term basis. The program does not meet the needs of those with disabilities, especially the young disabled who need home care to assist them, every day, for the rest of their lives.

Wage Index - Currently, Medicare uses the hospital wage index in setting home care payment rates. The wage index used, however, is not consistent with the wage index used in setting hospital rates and is usually a year or more out-of-date. Consequently, home care agencies are chronically underpaid. CMS should use current wage information for the same fiscal year as is used for hospitals and should allow for geographic reclassification of home health agencies with the authority and determination rendered for hospitals. Home care agencies compete with hospitals and other health provides for the same personnel and should be able to pay competitive salaries. The current system to determine home care rates, makes that impossible.

Market Basket Updates - This January, the Medicare Payment Advisory Commission recommended that Congress freeze home health payment rates at the FY 2003 level for FY 2004 through FY 2007. This is a mistake that home care agencies here simply cannot afford. Congress should fully restore the reduction in the market basket update for home health services.

Medicaid Match - Recently the federal government sent the states an increase in Medicaid payments. This was a good first step but apparently the money was only a one-time payment. Just about every state in the country, including Vermont, is suffering severe shortfalls in their Medicaid budgets and most have made serious cuts. In Vermont, many Medicaid recipients soon will pay a premium to qualify. Other states have instituted massive cutbacks. Congress should increase the federal match for states to assure that the Medicaid program will continue to serve the poor and needy. Until Congress adds a long term care benefit to the Medicare program, Medicaid is the only answer.

COVE Gets Better Jobs Grant

The Community of Vermont Elders has received official word that it has been selected as one of the five sites nationally to participate in the Better Jobs Better Care (BJBC) program funded by the Robert Wood Johnson Foundation and the Atlantic Philanthropies. COVE will receive $50,000 for the initial planning period (up to four months).

During the planning period COVE will be required to meet certain benchmarks in order to fully proceed with the project. Some of the benchmarks include revised and approved detailed one-year and overall work plans, recruiting and hiring a project director, fully outlining the local evaluation component, developing an approved system of subcontracting, formalizing the project steering committee and engaging them in the planning process, and finalizing the project budget. Once those benchmarks are achieved, COVE will be authorized to proceed with the project and will receive the initial six-month disbursement of the first-year budget.

Hospice Benefit Raises $10,000

The Richards Family and Champlain Valley Racing Association (CVRA) hosted the second annual Judith L. Richards Memorial at Devil's Bowl Speedway in West Haven, Vermont on Sunday, June 8th. The event featured a family barbecue, children's stock car rides, a media race, live music and of course, racing excitement. The event raised $10,000 in support of the Hospice program of the Rutland Area Visiting Nurse Association & Hospice.

Delegation - *continued from page 1*

- 30.0% of the agencies lost money in 2002 and 37.7% are losing money now.
- Rural agencies are fairing worse than urban agencies. The average profit margin for rural agencies last year was -10.36%.
- There are 1.3 million fewer people now served by Medicare home care than were served in 1997, 300,000 fewer since PPS.

The NAHC report is considerably different than the Medicare Payment Advisory Commission (MedPAC) report from last year. The MedPAC report, which was based on data from only 700 participating agencies, said that the average home health agency was making a 22% profit. CMS used this number to denounce home care agencies for making "excessive profits," and Congress used it to end the rural add-on and to cut the rates last October.

***PREMIER OF HOSPICE MOVIE** - On Friday, September 19, the Visiting Nurse Association of Chittenden and Grand Isle Counties will premier a one-hour documentary on hospice pioneers Elisabeth Kubler-Ross, Dame Cecily Saunders, Florence Wald, RN, MSN, and Dr. Balfour Mount, founders of the modern day hospice movement. The film was produced by the Madison-Deane Initiative, the VNA's end-of-life care education program.*

This is the first time these four living legends have appeared in one film talking about their individual contributions and their shared vision of hospice care. Pictured above is Florence Wald, standing by a portrait of herself as Dean of the Yale School of Nursing. Ms. Wald and Dr. Mount of Canada, one of the foremost experts on palliative care, will lead a discussion following the movie.

The event will be held the Sheraton Hotel and Conference Center at 7pm. For more information call the Madison-Deane information line at 860-4499 ext. 5005.

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