Testimony on 101 CMR 350.00: HOME HEALTH SERVICES  
May 15, 2017  
Submitted by:  
Home Care Alliance of Massachusetts

On behalf of our more than 100 certified home health agency members, thank you for the opportunity to comment today on the new proposed rate structure for home health services. We are here at an unprecedented second rate hearing in calendar year 2017 as we believe MassHealth listened and responded to numerous concerns expressed by HCA and by our members at the January hearing. Our comments below are broken down into three segments; 1) the proposed rate changes for home health services, 2) the proposed rate changes for Continuous Skilled Nursing services, and 3) comments regarding home health aide and therapy rates.

1) 350.4: Rates of Payment (1) Rates for Home Health Services, except CSN

These proposed rate changes reflect concerns of our members - expressed by the Home Care Alliance at the January 2017 meeting - about the impact that a three-tiered rate structure might have had on patient access to home care. The proposed three-tiered structure would have been based not on patient acuity, but simply on longevity of service and on an assumption that the longer a client receives care the lesser the amount of nursing intervention required. This is an assumption that does not hold true for many of the clients we serve with advancing dementia, unstable and unpredictable behavioral health diagnoses, and multiple comorbidities.

The newly proposed rates include pre and post 30 days of care rates, and a new medication administration visit (MAV) rate. HCA of MA appreciates the 2.6% increase for the 1-30 day rate over the current 1-60 day rate to reflect that new, often post-acute, patients can be high resource utilizers of nursing services. However, we would like MassHealth to consider that there might be instances where a full nursing rate might be necessary over a longer period of time. For example, cases, such as a patient with regular catheter changes, who might be seen once a month for an entire year, or a patient that requires complex wound care who is seen only several times a week, but over a duration of many months.

We would be happy to work with MassHealth, and Optum, to refine this request further.

The introduction of the new MAV rate is the most drastic change in the MassHealth rate structure in more than a decade. The response of agencies with high Medicaid caseloads has varied from cautiously supportive to highly concerned as the stability of many MassHealth patients can fluctuate from week to week, or even visit to visit. We must work via the regulations and, medical necessity guidance to agencies and reviewers that to ensure that in certain clients such as those on psychotropic medications with high risk side effects where response to treatment and follow-up consultation with a physician may be common are correctly defined as skilled. In our comments on the regulations, we will elaborate further on this point and provide some suggestions for mitigating some of the concerns.

2) 350.4: Rates of Payment (2) Continuous Skilled Nursing Care (CSN) Services

The additional 2.25% increase in rates for Continuous Skilled Nursing (CSN) services is welcomed and well overdue. But as many others will testify to today, this must be regarded as only a down payment on
a new rate structure that is reflective of the current marketplace and pricing for nurses with the critical care experience needed to care for this most vulnerable population.

As we testified in January 2017, the present wage and salary data indicate that the average pay, exclusive of any benefits or overhead for a critical care nurse in Massachusetts is $37.50 per hour. Adding even minimal benefits brings the hourly pay up beyond the $47.68 per hour of the new base weekday rate.

Our wage and salary survey data show us that average home health nursing salaries in Massachusetts have increased 70% over the past ten years since these rates were last adjusted. Hospital nurses’ salaries are escalating equally fast or even more rapidly. As a result, a survey of member agencies providing CSN services indicate a 37% turnover rate for nurses in 2016. This rate of turnover carries high costs to agencies in terms of recruitment and training, and to families in terms of lost hours and continuity of care. This workforce crisis has resulted in 24% of MassHealth-authorized hours of service going uncovered because agencies cannot recruit enough nurses to fill the need at the wages they can afford to pay under the current rates.

We are aware that MassHealth has been engaged in its own analysis of the trends in this program and we hope that before this rate is finalized, those data may be considered and a further adjustment made.

HCA, the providers and the families in the MA Pediatric Home Nursing Coalition believe that in order to compete for 40% of nurses in Massachusetts, the average reimbursement rate per hour must be at least $58.45. While it is a significant increase, it is important to remember that this accounts for 10 years without rate adjustments. This represents a 33% increase over the 2016 reimbursement rate, yet still well shy of the 70% increase in in home health nurse salaries over the last ten years.

2) Home Health Aide and Therapy Rates:
Lastly, we also strongly encourage MassHealth to update the home health aide and therapy rates, which have not been adjusted in ten years. During those ten years:

- The wage paid to workers in the state’s Personal Care Attendant program has increased 34.3%, from $10.84 in 2007 to $14.56 effective July 1, 2017;
- Actual wages paid by home health agencies to Home Health Aides have risen 19.1%, from $13.49 in 2007 to $16.07 in 2016;
- The minimum compensation requirement for homemakers in the EOEA Home Care Program has increased 9.8%, from $11.56 to $12.69.
- The average per-visit amounts agencies pay therapists have increased between 17.3% and 23%.

Attached to this testimony is a chart outlining our recommendations to adjust rates for aide and therapy services to reflect changes in the health care marketplace since the rates were last adjusted. Our proposal would only raise rates to reflect actual wage increases to direct care workers, and does not reflect increases in benefits costs or any administrative or indirect costs.

With the addition of the new Third Party Administrator, HCA of MA is committed to conducting a thorough analysis of the costs to agencies of providing services to MassHealth members. We will be engaging home health providers in discussions around new models of care and payment structures that drive value while maintaining quality and outcomes. In the immediate future, we believe that adjustments to CSN, HHA and PT rates must be considered as we all share a goal of preserving access to these essential services for all MassHealth members who need them.
## Rate proposals for HHA and Therapy Services

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<th>Service</th>
<th>Current Rate</th>
<th>Wage increase 2008 - 2016</th>
<th>Proposed Rate</th>
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