



103 Woodland Street
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February 8, 2007

TESTIMONY CONCERNING
BEFORE THE HUMAN SERVICES COMMITTEE
REGARDING:

*Proposed S. B. No. 388 AN ACT CONCERNING STATE PAYMENT RATES TO HOMEMAKER-COMPANION AGENCIES.

*Proposed H. B. No. 5302 AN ACT CONCERNING RATES OF PAYMENT FOR HOME CARE SERVICES.

*Proposed H. B. No. 5663 AN ACT INCREASING FUNDING FOR THE HOME-CARE FOR THE ELDERLY PROGRAM.

Senator Harris, Representative Villano and members of the Human Services Committee, my name is Ellen Rothberg and I am the President & CEO of VNA Health Care, which has been providing traditional and specialty home care services in the greater Hartford and Waterbury areas for over 100 years.

I come before you today to stress the need for significant and ongoing increases to the Medicaid rates for home health and homemaker-companion services. I also urge you to find ways to directly reimburse for telemonitors and flu shots for Medicaid patients.

VNA Health Care is a large home care agency. A significant proportion of our patients are either dually eligible for Medicare & Medicaid, or have Medicaid as primary coverage. Last year, we did not receive a cost of living adjustment from either program. The agency had to absorb double-digit health insurance, staff mileage reimbursement costs, and energy costs among other things. We also have to compete with other providers for scarce nurses, therapists and paraprofessionals. That requires regular, ongoing salary increases to stay competitive.

During my tenure at the agency, we have implemented significant cost saving initiatives, including electronic information systems. These changes require capital investments, as well as upfront operational costs for staff training, etc. In the long-run, we believe that these changes will help us maintain our reputation for quality care and keep us cost competitive and help in moving toward an electronic health record. But they are very costly.

Homecare trusted by Connecticut families & physicians for more than 100 years.

Hartford VNA Since 1901 103 Woodland Street	Waterbury VNA Since 1903 50 Brookside Road	Glastonbury VNA Since 1919 969 Hebron Avenue	Cheshire VNA Since 1920 1781 Highland Avenue, 2nd Fl.	Windsor Locks VNA Since 1920 50 Church Street	Southbury 519 Heritage Road
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All told, the agency lost approximately \$1.5M providing care to Medicaid and state-funded patients last fiscal year. The biggest losses were for home health aide services. The only way to make up for these losses is through fundraising or operational surpluses from other sources. Unfortunately, there are limits to both and we are at them now.

Finally, I want to speak to you about prevention. VNA Health Care has over 150 telemonitors in the field for patients with chronic illnesses such as Congestive Heart Failure, COPD and Diabetes. Through their use in patient homes we have seen significant reductions in hospitalizations. Telehealth benefits patients by giving them real time results of their actions - in other words they see the impact immediately of their diet choices, good and bad, and thus are more likely to understand what is necessary for them to keep their illness under control. It benefits the agency by allowing us to better utilize scarce nursing resources and it benefits the system by reducing costly inpatient hospitalizations. Typical cost of a hospital stay for a CHF patient is \$15,000 + versus a year on telehealth of \$2,800. We need to find a way for Medicaid to pay for these devices and their operating costs so that the Medicaid program can take part in this exciting trend in home care.

The other prevention item is flu and pneumonia vaccine shots. Last year, VNA Health Care administered approximately 14,000 vaccinations, primarily for the Medicare and managed care patients at community flu clinics and offices. Unfortunately, Medicaid does not pay for flu shots and there is no way to bill Medicaid directly for flu shots to our homebound patients. We either refer patients to MDs or provide the shots for free. The Medicare program has recognized that immunization saves money in the long run and we think it is time for the Medicaid program to step up as well.

Thank you for consideration of our request. I would be pleased to answer any questions you may have.

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