

1085



Companions & Homemakers

MARCH 17, 2009
HUMAN SERVICES COMMITTEE

TESTIMONY OF COMPANIONS & HOMEMAKERS, INC. IN SUPPORT OF SENATE BILL 1085
AN ACT CONCERNING HOMEMAKER AND COMPANION AGENCIES AND AUDITS FOR VENDOR FRAUD

My name is J. Martin Acevedo and I am the General Counsel of Companions & Homemakers, Inc. (C&H), a homemaker-companion agency serving the home care needs of older adults since 1990. The company employs approximately 1600 caregivers and cares for over 3000 older adults. We serve private pay clients as well as clients of the Connecticut Home Care Program for Elders (CHCPE). We are here to testify in favor of Sections 1, 2 and 3 of Senate Bill 1085.

SECTION 1

Section 1 of the Bill seeks to revise the DSS current vendor audit statute, also known as the "extrapolation statute." Extrapolation is the process by which the percentage of errors found in a sample of audited claims is "extrapolated" to the entire universe of claims paid to the provider. Under this model, a small billing discrepancy or overpayment can and will translate into thousands of dollars in extrapolated charges. Extrapolation is permissible even if no evidence of fraud exists.

The proposed bill does not eliminate extrapolation. Rather, it merely revises the statute to ensure that future audits will comport with notions of fundamental fairness, adequate notice to providers and, more importantly, due process rights.

First, the bill seeks to eliminate the portion of the current statute which appears to exempt agencies that do less than \$150, 000 in business with the State. This bill seeks to revise the statute so that it will apply to all providers regardless of how much business they do with DSS.

Second, the bill seeks to amend the statute to comport with the standard for extrapolation embodied in the Medicare Act of 2003. Under that standard, the government can extrapolate provided there is either "a high level of payment error involving the provider" or there is evidence that "despite documented educational intervention, the provider has failed to correct the level of payment error."

Third, the bill will grant a much needed right of judicial review of the results of the audit. Presently, no such recourse exists. DSS is the ultimate arbiter of claims arising from an audit.

Our agency recognizes the importance of audits to ensure program integrity. This bill does not eliminate the audit process or the practice of extrapolation. It simply brings these practices in check with well-settled fairness standards and minimum due process considerations.

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SECTION 2

The purpose of Section 2 of this bill is to enable clients of the State home care program to receive personal care services (i.e., assistance with activities of daily living) through homemaker-companion agencies.

Under Connecticut law, a "non-medical" agency like C&H can assist individuals with activities of daily living provided that individual is deemed "chronic and stable" by his or her physician. (See attached opinion letter from DPH to C&H dated February 9, 1994).

Although our agency has been providing "hands on" personal care services to its "chronic and stable" private clients without incident since the early nineties, our agencies are not permitted to provide those services to clients of the State home care program.

Currently, the State reimburses a home health aide agency \$24.40 per hour of CNA service plus the added cost of a monthly supervising visit by an RN (presently \$23.56 per 15-minute units, or \$94.26 per hour). In contrast, a homemaker-companion agency's average hourly rate for personal care services is approximately \$19.00 without the added cost of a nurse visit. This can save the State hundreds of thousands of dollars in fees. Furthermore, because our caregivers can perform personal care in addition to homemaker and companion services, State clients can enjoy continuity of care and service by the same caregiver on a consistent basis, chief amongst many other benefits.

SECTION 3

Section 3 of this bill addresses the "compensation for transportation" issue, perhaps one of the most significant challenges affecting providers who contract with DSS to provide companion services to clients of the State home care program. For many years, agencies have provided (and continue to provide) social transportation services without reimbursement for such service, even though the regulations of the home care program explicitly state that such services must be compensated. Using their own vehicles and fuel, our caregivers transport clients to doctor appointments, shopping, and social activities. In addition to driving the client, our caregivers escort the client to the appointment, record any information given by the doctor, pick up prescriptions, and return clients home safely.

For years, case managers from the various Agencies on Aging have relied upon our agencies for the safe, convenient and reliable transportation of CHCPE program clients to and back from these appointments. Caregivers, on the other hand, receive no reimbursement for the transportation component of their assignment. This bill addresses the problem by establishing a flat fee of \$8 per trip on top of the regular hourly rate for the companion service, an absolute bargain when compared to the rates paid to commercial "pick up-drop off" livery services hired by the State.

We urge this Committee to approve this critical legislation in its entirety. We will happy to answer any questions.



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH AND ADDICTION SERVICES
BUREAU OF HEALTH SYSTEM REGULATION

February 9, 1994

Ms. Linda Johnson
Companion and Homemaker
221 West Main Street
P.O. Box 707
Avon, Connecticut 06001

Dear Ms. Johnson:

This letter is in response to your request for clarification of Section 19a-490(f) of the Connecticut General Statutes which states: "Homemaker-home health aide services" as defined in this section shall not include services provided to assist individuals with activities of daily living when such individuals have a disease or condition that is chronic and stable as determined by a physician licensed in the state of Connecticut." This Section 19a-490(f) is an exemption to Section 19a-490(d) and (e). Please see attached. Therefore, the services listed in (e) are not considered to be the provision of homemaker-home health aide services, subject to licensure, when the client is deemed chronic and stable by a physician. Thus, an unlicensed agency may provide assistance with activities of daily living without seeking licensure status as long as the physician has, in writing, deemed the client to be chronic and stable.

If you have further questions I can be reached at 566-2546.

Sincerely,

Victoria N. Carlson

Victoria Carlson, R.N., M.S.A.
Supervising Nurse Consultant
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