



TESTIMONY

Delivered by Deborah R. Hoyt, President and CEO
The Connecticut Association for Healthcare at Home

Before the Connecticut General Assembly Human Services Committee

February 19, 2013
Proposed Bill No. 5069
An Act Reducing Health Care Fraud, Waste and Abuse

Good morning Senator Slossberg, Representative Abercrombie and members of the Human Services Committee.

My name is Deborah Hoyt, President and CEO of the Connecticut Association for Healthcare at Home.

The Association represents 60 licensed and certified home health and hospice agencies that perform 5-million home health and community-based visits in our inner cities and rural Connecticut towns each year.

With a growing Connecticut workforce of 11,000 employees and skilled nurses, *we* are the *only* health providers that walk through the front doors of 14,000 state residents each day and deliver cost-effective, person-centered care.

While The Connecticut Association for Healthcare at Home supports reducing intentional healthcare fraud, waste and abuse, we are very concerned with the unintended consequences in the form of additional administrative time and regulatory burden on home health providers if this Bill is passed.

Connecticut's home health providers are already scrutinized under routine and lengthy Department of Social Services Audits to ensure that their service to state Medicaid clients is delivered and billed correctly according to very detailed regulations. It's an arduous task to keep abreast of the changing regulatory landscape and at the same time stay focused on patient care delivery.

An additional layer of audit exists called Third Party Liability (TPL) for those home care agencies that provide care to the dually-eligible Medicare and Medicaid patient population.

Combined, these two intimidating audit processes require hundreds of hours of administrative time, along with stacks of record photocopying to prove that every "i" is dotted and "t" crossed.

Despite honest intentions, our non-profit community-based home health and hospice agencies who have served as the state's safety net for up to 100 years in many communities, have payments "taken back" by the state, often times totaling tens of thousands of dollars each year, due to clerical errors extrapolated across thousands of patient records.



Home health is one of the only service industries that I am aware of that delivers a service to the poor, frail and needy at 60 cents on the dollar – paid less by Medicaid than it costs the agency to provide the care for each patient -- then a year or two later receives a letter from the state demanding a refund of payment due to unintended human error.

The current auditing process places a significant strain on both for-profit and non-profit health care agencies that use valued staff time and resources to comply with rigorous auditing demands.

While it is unclear how this proposed additional fraud detection will layer on top of the current process, I urge the Committee to consider the impact on the providers and the consumers.

Providers are considering taking on less state Medicaid clients who are generally more complex and costly to care for at the same time the State is looking to drive more healthcare to home and community settings.

Audits are the tipping point and are essentially positioning some of the smaller home care agencies up for failure and closure. Four agencies closed last year due to the inability to deliver on their mission due to negative margins.

The Connecticut Association for Healthcare at Home supports Connecticut's Medicaid Fraud Control Unit in the important work that they do but we will continue to speak out for struggling home care and hospice providers who are crippled by unnecessary audits and accusations of Medicaid fraud.

I welcome you to visit any one of our 60 member agencies and sit with their finance and medical records staff to learn about their processes and commitment to accurate and ethical billing practices.

I would like to thank the Committee for considering our perspective. Please reach out to us as a resource for additional information at any time.

Thank you.