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Article published May 25, 2005

State, feds putting huge cost squeeze on home-care agencies

Karen Baranowski, Nashua

At Home Health & Hospice Care, it is our privilege every day to fulfill a mission that dates back to the agency's founding in 1883: to provide cost-effective health care in the setting preferred by most patients – their homes.

The ability of agencies such as HHHC to deliver home and hospice care is (and has always been) dependent upon a healthy infrastructure supported by a fair and equitable reimbursement system to cover costs.

That infrastructure – represented by agencies like ours – has been struggling to underwrite state-funded programs for years, and will soon be unable to do so.

Why? New Hampshire home-care agencies lost more than \$5.5 million in Medicaid reimbursements last year and have not received any adjustment in the state reimbursement rate since 1999.

The 1999 increase was based on 1996 cost data and is woefully insufficient, given the continuing shortage of nurses and rehab therapists, and double-digit increases in the cost of employee benefits, including health insurance.

In Hillsborough County alone, the loss sustained by home-care agencies exceeded \$1.125 million, including a \$350,000 loss incurred by Home Health & Hospice Care.

At the same time, reimbursement rates are being cut by other sources, the largest reduction being federal cutbacks in Medicare. Home health providers sustained a 5 percent cutback in federal dollars last year, and HHHC will be impacted by additional Medicare cuts in January.

In the past, home-care agencies have been able to cover their Medicaid losses by cost shifting dollars from other programs. However, the combination of cuts in Medicare reimbursement and inadequate Medicaid funding have created a challenging financial reality in which agencies will no longer be able to cover these losses.

As we look at the aging demographics of our community and state, home-care providers realize that seniors and other citizens in greatest need are at risk of losing services to keep them healthy and safe at home.

I know that the Legislature is struggling with budgetary issues, however, failing to address the fiscal realities of agencies providing vital home-care services to our neighbors is not the answer.

Karen is the President and CEO Home Health & Hospice Care in Nashua

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