

In Support of Extending the Suspension on Granting Certificates of Need For New Home Health Agencies

Since 2010, there has been a suspension on granting a Certificate of Need (CON) to new home care and hospice agencies. The members of the Vermont Assembly of Home Health and Hospice Agencies (VAHHA) urge the Legislature to extend the suspension to January 1, 2017.

Background

The current suspension, which sunsets June 30, 2013, was established to give the state and the home care industry time to refine the standards under which home health applications are measured. Although progress was made, that job was not completed as there still is no definition for unmet need, a key criterion to determine whether a new home care agency is needed. Currently, there are little to no objective standards on how to measure unmet need, how to define geographical service areas, how to measure whether the “market” for additional services is sufficient to support additional agencies, or how to evaluate adverse impacts, not only to existing agencies, but also on the communities and patients they serve.

Health Reform

Vermont is in the middle of dramatic change in health care delivery. The state is moving toward single-payer health care, more cooperation among providers (as evidenced by the new Accountable Care Organizations, the state’s SIMs and Dual proposals, and Vermont’s Blueprint for Health), and population-based payments. To open the market to new home care agencies seems inconsistent with the goals of health care reform which encourages more integration and less fragmentation.

Green Mountain Care Board

Among the noteworthy changes that have occurred is the fact that CON decisions, starting this January, are now made by the Green Mountain Care Board rather than the Division of Health Care Administration. The change is important because the focus of GMCB is not only to evaluate what is offered and recommend what is needed, but also to move the state toward a new health care delivery system, a very different focus from the past.

Finances

Medicaid does not pay the true cost for home care and that is not likely to change anytime soon. Despite payments well below costs, Vermont’s home health agencies provided home care services to all Vermonters in need, regardless of where they lived. The difficulty of this achievement is easy to underestimate.

Full payment for home care and other services is not likely under the current fee-for-service system. More likely the state will change to population-based payments or some other prospective payment systems. To do so successfully will require great cooperation among all providers – home care, hospitals and physicians. It makes no sense to add new home care agencies until the new payment systems have been established.

Questions? Call the Vermont Assembly of Home Health and Hospice Agencies, 229-0579