



**April 7, 2016**  
**House Committee on Health**

**S. 256 – Certificate of Need Moratorium for Home Health**

**Who are the Main Sponsors?** Senators Ginny Lyons, Claire Ayer, Robert Starr, and Rich Westman

**What Does the Bill Do?** This bill would extend, until January 1, 2020, the moratorium on home health agency certificates of need (CON) and require consideration of the Green Mountain Care Board’s health care reform initiatives to lift the moratorium prior to that date.

**Background -** Since 2010, there has been a suspension on granting a Certificate of Need (CON) to new home care and hospice agencies. The current suspension, which sunsets June 30, 2017, was established to give the state and the home care industry time to refine the standards under which home health applications are measured. Unfortunately, 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.

**Why is the Bill Needed?** Vermont is in the middle of dramatic change in health care delivery. The state is moving toward more cooperation among providers (as evidenced by the new Accountable Care Organizations, the state’s Health Care Innovations Project 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.

**What is Needed?**

1. An objective definition of need and the likelihood that such need will financially support additional home health agencies;
2. Objective criteria by which to measure the impact of any project on existing service providers and the populations they serve; and
3. Objective criteria to measure unnecessary duplication of services that would increase the costs to the system.

**Current System -** The existing home health system is currently providing high levels of service to the Medicare, Medicaid, private insurance, and private pay populations in need of home health services at one of the lowest average costs per visit in the nation. It provides a comprehensive array of services reaching every town in the state, which are generally well coordinated with other community health care

providers and social service agencies. It appears that the existing system has the commitment and present capacity to provide universal access to medically necessary home health services for all Vermonters regardless of ability to pay or location of residence.

Vermont is a very rural state, with a population thinly distributed throughout the state, posing special challenges in the delivery of home health services.

Vermont, as the rest of the nation, is facing extraordinarily difficult and fiscally challenging times; significant cuts in Medicare and Medicaid rates for home care have already taken place and even greater cuts are looming, all requiring even greater reliance on community resources and ingenuity to do more with less.

**Who Supports the Legislation?** The Legislation is supported by the 10 Visiting Nurse Associations and nonprofit hospices. Bayada Nursing, the one for-profit Medicare-certified homecare agency in the state, is neutral on this legislation.

*Questions? Call VNAVt at 229-0579*