

Re: Adequate and appropriate funding of Choices for Care for Home Health providers

The cost of health care is the out-of-control driver on all economic matters including property taxes, education funding, State taxes, employment mobility, - more than any other element, health care is the greatest burden faced by individuals, employers, institutions and governmental entities alike.

Home Health Care Agencies are the BEST VALUE to be found in providing high quality and necessary health care in the most optimal way.

It must be emphasized that every time Addison County Home Health, (or any home health agency), does its work of providing health care in people's homes, it saves the overall system millions of dollars, because the alternative is that the patients would be in a hospital or in a care facility, both of which are substantially more expensive.

What the legislature must decide is whether health care spending of precious limited resources go to an entity that makes millions of dollars in profit and is allowed it to keep its excess, and which compensates its CEO over \$2,000,000.00 annually? Or, should these precious finite resources go where they can do the most good for the most people for the least cost? Allocating health care money efficiently and wisely is the best approach.

I remember five years ago when I first joined the Addison County Home Health & Hospice Board, talking about Choices for Care with the Executive Director and President of the Board at that time. I had the belief that this was a win, win, win, win for all involved: The patient receives excellent care in their home, the Agency is appropriately paid for providing this care, those providing the care receive a living wage, and the overall health care system, the State of Vermont, saves millions of dollars a year because the folks receiving care are not in a hospital and are not receiving care in an institution, - the two vastly more expensive alternatives.

But this is what I learned instead: At our annual audit, it is explained to the Board every year, - even as we listen with disbelief, - that Vermont is the ONLY STATE to take needed funds from nonprofit community health care providers and use them and divert them for other purposes. It takes a moment to wrap your head around this truth: That Vermont actually TAXES, (and this is the strange word that is used here), care that is provided by necessity, at a loss.

Why is the underlying care provided at a loss? Because the reimbursement rate from Choices for Care – Medicaid – is substantially less than what is required for a professional care giver to drive to a person's home, provide excellent health care, provide related necessary pharmaceuticals and medical equipment, and document the care according to the complex and always changing requirements of Medicaid.

Then imagine, if you can, the compounding effect of being taxed on this negative balance.

Why is this essential care that is provided by a nonprofit at a loss, taxed?

The story goes that this tax exists in order to gain matching funds from the federal government, which, once doubled, will be plowed back into the nonprofits providing the valuable and excellent care in the community.

But imagine that you learn, instead, that these funds, originally intended to bolster the health care providing entity, instead, depletes it. We are told that these funds contributed by, among others, generous donors for the purpose of providing health care in the home in our county, disappear into the Vermont's general fund, not for the purpose of amplifying the efforts of the 50-year old revered community home health care provider, but instead, these funds from a nonprofit with an important and effective mission, are diverted to something completely unrelated.

Here is a summary of the so-called "Medicaid Provider Tax," paid to the State of Vermont by Addison County Home Health & Hospice in recent years:

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| FY 14 | \$543,984 |
| FY 15 | \$492,786 |
| FY 16 | \$556,863 |
| FY 17 | \$357,143 |
| FY 18 | \$377,084 |
| FY 19 | \$409,655 |

Imagine what the organization could do with these resources. As the chair of the personnel or human resources committee on the Board I am especially pained when I realize that personal care assistants, who perform the most back breaking and emotionally taxing work, and who are so crucial and necessary to the comfort and quality of care provided, are not paid enough. Every hour these worthy folks spend working generates a loss. They require and deserve a decent living wage. And it is literally on their backs that the overall health care system enjoys great financial savings.

It bears repeating that every time Addison County Home Health does this work, it saves the overall system millions of dollars, because the alternative is that the patients would be in a hospital or in a care facility, both of which are substantially more expensive. So even as the work of Home Health Agencies save the overall system tremendous resources, the Agencies are PENALIZED for doing so. ACHH&H loses about \$436,000.00 every year Choices for Care when providing this home health care to valued Addison County residents. This is not right or equitable.

In the upcoming budget, I urge you to reimburse the Home Health Providers and professionals for the health care provided under Choices for Care at an accurate and reasonable reimbursement level and make Choices for Care solvent. One way this can be done is to simply use the Medicaid Provider tax, and the matching funds, for the purpose for which they were intended.

Respectfully,

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