

Testimony**Tammy Theurer, ND Association for Home Care****Human Services Committee****Representative Wieland, Chairman****August 2, 2011**

Representative Wieland and members of the Human Services Committee, my name is Tammy Theurer, I am a Registered Nurse and the Director of St. Alexius Home Care and Hospice in Bismarck. I am here today as a Regional Director for the ND Association for Home Care (NDAHHC) and representing the association.

The NDAHHC represents Home Health Care Agencies (Hospital-based, County, nonprofit, and proprietary) and their branches, providing care throughout ND, allowing clients to remain in their homes.

Home Health Care provides: Skilled Nursing, Physical Therapy, Speech Therapy, Occupational Therapy, Certified Nurse Assistants (CNAs), Infusion Therapy, Medical Social Workers, Pediatric and Psychiatry Programs, as well as Home Health Aides and Homemaker services, or Personal Care Services assisting with activities of daily living and in certain circumstances, tele-health services. Today I will address the Skilled Nursing and Personal Care, or QSP (Quality Service Provider) services provided by Home Health agencies.

QSP services are provided by individuals, proprietary agencies, and Home Health Care Agencies. Home Health agency QSP services are provided under nurse supervision. These agencies are certified by Medicare and Licensed by the state of North Dakota. Agency QSP providers are generally CNAs, or minimally Nurse Assistants registered in the state, who are directly supervised by a registered nurse. These CNAs receive ongoing education and evaluation of their skills and abilities.

During the last interim session and throughout the past Legislative session, members of the NDAHHC worked with Legislators and members of the Department of Human Services in an effort to address funding shortfalls within the delivery of Home Health services, which have forced many agencies to discontinue their QSP services.

We discussed mileage costs as a main contributor to the funding shortfalls our agencies are facing. For instance, St. Alexius Home Care and Hospice has been a QSP provider for many years. Our agency has an extensive service area in central and western North Dakota. Two-thirds of our personal care and homemaking services are provided under the QSP program. Additional programs follow the QSP reimbursement rates. The number of individuals paying privately for services has declined significantly. For the fiscal year just ending June 30, 2011, our Total Direct Expenses were \$32.70 per hour of care provided. Our net revenue was only \$25.23 per hour of care. QSP payment rates were \$5.80/unit (or \$23.20/hour). While the new biennium does provide for a 3% increase for each year of the biennium, our expenses far exceed our revenue. Expenses such as mileage reimbursement, wages and benefits for employees continue to increase, making the gap between direct costs and reimbursement rates even wider.

Because of the above reasons, our agencies are discontinuing services at an alarming rate. We would request the support of this committee to look at the possibility of including a travel differential for QSP services or to increase reimbursement rates for Home Health services.

Please note: a broader state law prohibits direct reimbursement for travel expenses, so a differential rate for remote clients might be the simplest way to address the need. We would also be open to amendments or exceptions to the broader state law.

Chairman Wieland and members of the Human Services Committee, thank you for the opportunity to testify before you today. I would be happy to answer any questions you may have and I'd also like to note that members of the NDAHC would be happy to provide any additional information you would request as you study this issue.