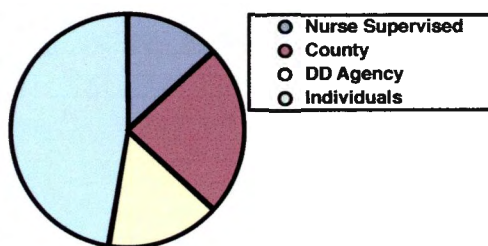


**Interim Human Services Committee, April 17, 2012**  
**Hon. Alon Wieland, Chairman**  
**Testimony of North Dakota Association for Home Care**

Good afternoon Chairman Wieland and members of the Interim Human Services Committee. I am Bruce Murry appearing for the North Dakota Association for Home Care (NDAHC). NDAHC 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.

**Breakdown by QSP Types:** The following chart summarizes the clients served by different categories of QSP Providers (Currently 1,900 individuals receive QSP services through one of the following providers):



**Service Unit Cost and Reimbursement:** Based on 2011 information from our members, the average cost to the provider to deliver 1 hour of service was approximately \$31.00. (Average cost per agency determined by using avg. wage, visit time, travel time, average miles driven and cost of benefits.)

In 2011, QSP services were reimbursed at \$5.80 per 15 minute unit, which would provide a reimbursement rate of \$23.00 per hour of service -- a significant loss to home health agencies who provide the service.

**Loss of Providers.** The following home health agencies have recently discontinued QSP Services in North Dakota:

St. Joseph's Home Health, Dickinson, ND  
 Mercy Home Health, Williston, ND  
 Mercy Home Health, Lisbon/Oaks, ND  
 Mercy Home Health, Valley City, ND

Please note: Current Federal Medicaid law prohibits direct reimbursement for travel expenses. Differential rates by category of distance travelled are allowed.

**Legislative Request:** *Our agencies respectfully request consideration of a travel differential for QSP services.*

**Cost-Benefit Analysis.** We determined the differential by calculating the mileage cost for the mid-point, round trip of each mileage category and projected the total fiscal impact by multiplying the differential times the number of clients in each category with an assumption of 3 visits per week.

The following chart details the total number, the percentage of clients, and the proposed differential in each category:

Total Number of Clients	1-10 mi 76% (midpoint round trip 10 mi)	10-25 mi 16% (midpoint round trip 35 mi)	25-35 mi 4% (midpoint round trip 60 mi)	35+ mi 4% (round trip 70 mi)
1900	1,444	304	76	76
Proposed Differential	\$5.55	\$19.40	\$33.30	\$39.00

**Assuming the information above, we estimate the annual fiscal impact to be \$3,026,790 or \$6,053,578 per biennium.**

Our members believe that without legislative action, they will no longer be able to provide QSP services. We estimated that half of the people served by RN supervised QSPs would be able to find other QSPs to serve them in their homes. Given the frontier nature of much of North Dakota, this may be optimistic. Of the rest, we estimated half might move to basic care, and half to nursing facilities (25% or 61 persons each).

**Current Daily Reimbursement rates for QSP, Basic Care and Nursing Facility services are as follows:**

QSP (hour): \$24.60  
 Basic Care (day): \$97.00  
 Nursing Facility (day): \$205.04

(Source for Basic Care and Nursing Facility Rates: Long Term Care Association, 2010)

If nothing is done, using average daily rates for each, serving these 122 people in basic care and nursing facilities would cost an extra \$11.2 million dollars per biennium. We have provided these estimates to the Department of Human Services and look forward to any additional information and perspective they can provide.