Reimbursement of HCBS, Home Health Care and Private Duty Nursing:

The First Step in the Continuum of Care

In a continuing effort to keep people in their homes and out of higher cost facilities, we are requesting an increase in reimbursement for 200 plus small business, licensed home care agencies in Colorado.

This year the Medicaid Provider Rate Review Advisory Committee established by the Joint Budget Committee studied the state of homecare reimbursement. They made the recommendation that rates should be addressed. However, the Department did not make the request in the Governor’s budget for FY 2017-2018.

The impact of the new Minimum Wage increase and the overall increase in costs to do business over many years is creating a very difficult business climate for providers of HCBS personal care & homemaker services, home health and private duty nursing.

There needs to be an adequate and financially healthy safety net of providers in order to provide the care needed in the home and reduce costs overall. Hospitals provide the most expensive delivery of care. They want to be able to discharge patients ASAP to make room for additional patients that need assistance.

We request a level of reimbursement that brings us to the Medicare and commercial/market rates that are currently being paid for these services. With more people being enrolled in Medicaid because of the expansion, it makes it even more crucial for these rates to be adequate.

We have included a chart on the back that identifies exactly where the targeted increases need to be placed and our recommendation for that specific increase. We do believe a request in supplemental for this year would be a creative way to address the direct pain the caregivers are having. The next tier could be completed in the Long Bill FY2017-2018. We would like the JBC to be specific to guide the department accordingly.

These issues will be considered in supplemental and budget figure setting for the Dept. of Health Care Policy & Financing. Thank you for your immediate attention and thank you in advance for any motions!

Betsy Murray    Eliza Schultz    Ellen Caruso, representing Homecare Association of Colorado
303-478-1207    720-732-0217    720-530-3034
Edie Busam, representing PSA/Professional Pediatric Homecare    303-523-6236
Andi Leopoldus, representing Discover Goodwill    719-641-4097
# Home Care Rate Request - FY 2017-18

## Home Health Care Services

<table>
<thead>
<tr>
<th>Proposed Rate Increases</th>
<th>Current Medicaid Rate per visit</th>
<th>2017 Colorado Avg</th>
<th>Proposed 90% of Colo Medicare LUPA* in three years per visit</th>
<th>1/3 of 90% of Colo Medicare LUPA* per visit</th>
<th>Number visits</th>
<th>TOTAL</th>
<th>Cost of Proposed Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skilled Nursing (per visit)</td>
<td>$103.63</td>
<td>76%</td>
<td>$135.98</td>
<td>$18.75</td>
<td>478,342</td>
<td>$2,986,966</td>
<td>$1,493,483 $1,493,483</td>
</tr>
<tr>
<td>Physical Therapist (per visit)</td>
<td>$113.34</td>
<td>76%</td>
<td>$148.65</td>
<td>$20.45</td>
<td>111,502</td>
<td>$759,126</td>
<td>$379,563 $379,563</td>
</tr>
<tr>
<td>Occupational Therapist (per visit)</td>
<td>$114.06</td>
<td>76%</td>
<td>$149.66</td>
<td>$20.63</td>
<td>93,750</td>
<td>$644,168</td>
<td>$322,084 $322,084</td>
</tr>
<tr>
<td>Speech Therapist (per visit)</td>
<td>$123.16</td>
<td>76%</td>
<td>$161.55</td>
<td>$22.24</td>
<td>97,682</td>
<td>$723,262</td>
<td>$361,631 $361,631</td>
</tr>
</tbody>
</table>

**Cost of Proposed Increase**

- **$5,113,522**
- **$2,556,761**
- **$2,556,761**

## Private Duty Nursing - LPN Services

<table>
<thead>
<tr>
<th>Proposed Rate Increases</th>
<th>Current Medicaid Rate per hour</th>
<th>Which is Percent of:</th>
<th>Current Colorado Market Rate per hour</th>
<th>Proposed Medicaid Rate per hour</th>
<th>1/3 of Proposed Increase per hour</th>
<th>Number of 15 minute units</th>
<th>TOTAL</th>
<th>Cost of Proposed Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDN - LPN (per hour)</td>
<td>$30.81</td>
<td>82%</td>
<td>$37.50</td>
<td>$37.50</td>
<td>$6.69</td>
<td>$528,480</td>
<td>$1,178,510</td>
<td>$589,255 $589,255</td>
</tr>
</tbody>
</table>

**Cost of Proposed Increase**

- **$18,361,762**
- **$9,180,881**
- **$9,180,881**

## Home & Community Based Svcs

<table>
<thead>
<tr>
<th>Proposed Rate Increases</th>
<th>Current Medicaid Rate per hour</th>
<th>Which is Percent of:</th>
<th>Current Colorado Market Rate per hour</th>
<th>Proposed Medicaid Rate per hour</th>
<th>1/3 of Proposed Increase per 15 minute</th>
<th>Number of 15 minute units</th>
<th>TOTAL</th>
<th>Cost of Proposed Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCBS EBD Personal Care</td>
<td>$17.00</td>
<td>68%</td>
<td>$25.00</td>
<td>$19.00</td>
<td>$0.50</td>
<td>29,906,148</td>
<td>$14,953,074</td>
<td>$7,476,537 $7,476,537</td>
</tr>
</tbody>
</table>

**Current rate $17/hour; Updated Market $25.00/hour**

**Minimum wage increases $.99/hour on 1/1/2017**

| HCBS EBD Homemaker | $17.00                          | 68%                  | $25.00                               | $19.00                          | $0.50                         | 6,817,376                | $3,408,688 | $1,704,344 $1,704,344 |

**FMAP**

- Betsy Murray, Eliza Schultz and Ellen Caruso, representing Homecare Association of Colorado
- per Eric Kurtz
- Edie Busam, representing PSA/Professional Pediatric Homecare
- Andi Leopoldus, representing Discover Goodwill

**Service Acronyms:**

- **BI**: Brain Injury waiver
- **CES**: Children's Extensive Supports waiver
- **CCT**: Colorado Choice Transitions demonstration waiver
- **CMHS**: Community Mental Health Supports waiver
- **CDASS**: Consumer Directed Attendant Support Services
- **LPH**: Licensed Practical Nurse
- **PLWA**: Persons Living with AIDS waiver
- **PT**: Physical Therapy
- **PDN**: Private Duty Nurse
- **EBO**: Elderly, Blind, and Disabled waiver
- **LPH**: Spinal Cord Injury
- **SLS**: Supported Living
- **TP**: Services waiver

*Medicare Low Utilization Payment Adjusted (LUPA) rate*
Bringing critical care to Colorado’s most medically fragile children.
What is Private Duty Nursing?

Private Duty Nursing is:
One nurse taking care of one patient in the patient’s home.
What is Private Duty Nursing?

Private Duty Nursing essentially creates a hospital room in the patient’s home. The difference is that the cost of the brick and mortar, meals, housekeeping and other services is all taken care of by the family.
What is Private Duty Nursing?

The need of patients and families is constant. It’s 24/7.

There are no holidays. There are no breaks on weekends or nights. Families receive no days off when caring for a medically fragile child.
### Current Medicaid Reimbursement

<table>
<thead>
<tr>
<th>CO Medicaid Reimbursement</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LPN</strong> $30.81 per hour</td>
<td></td>
</tr>
<tr>
<td><strong>RN</strong> $45 per hour</td>
<td></td>
</tr>
</tbody>
</table>

### LPN Current Pay Structure

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salary, wages, weekend and night differentials, benefits, direct patient care expenses,</strong></td>
<td><strong>$26.80 per hour (85%)</strong></td>
</tr>
<tr>
<td><strong>clinical supervision, quality assurance, training, education and unbillable services.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Support services such as billing and collecting, payroll, accounting, technology, recruiting, compliance, rent, utilities, telephone, supplies, etc.</strong></td>
<td><strong>$2.13 per hour (8%)</strong></td>
</tr>
<tr>
<td><strong>Interest expense, taxes, development expense</strong></td>
<td><strong>$1.85 (7%)</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$30.78</strong></td>
</tr>
</tbody>
</table>
The Crisis: Denver currently has more than 50 children in the hospital that can’t come home because their cases cannot be staffed.

- 90.5% of current workforce consists of RNs, and more cannot be hired.

- Larger pool of available LPNs, but they won’t work for the current rate of $30.81
The lowest cost setting for care

Average cost of a hospital day vs. a pediatric home care day

- TICU: $9,476
- PICU: $7,601
- NICU: $6,325
- Pediatric Home Care*: $205.71

* Based on PSA Healthcare’s average patient hours per week in Colorado

http://www.nationwidechildrens.org/price-information-list
The Solution: Raise the current LPN rate of $30.81 to $37.50.

• Higher rates provide the ability to hire LPNs who can staff the lower acuity patients, reserving RNs for higher acuity, vented patients.

• Saves Medicaid money by using LPNs for less acute patients who don’t need RN level of skill

• Allows more patients to go home to a lower cost setting for care.
Western states comparative LPN rates

**WA:** $37.24  
**OR:** $35.11  
**CA:** $29.41  
**NV:** $42.25  
**AZ:** $36.72  
**UT:** $34.60  
**TX:** $35.48  
**AK:** $80 (T1002), $75 (T1003)
Currently 25% of the patients requiring PDN services are Level 1 patients needing g-tube feeding/seizure activity.

RNs predominantly providing this care. Opportunity to level up /train these RNs to work with a more acute population (ventilator and tracheostomy patients.)

Making this change would be a cost savings for the state as more LPNs than RNs could be utilized for patient care.

Training for LPNS:
- Job shadowing
- Case specific orientation and training
- Detailed instruction on plan of treatment of that specific patient
- Face to face competencies
- Inservices
- Direct link to a clinical supervisor for trouble shooting and additional information

Training on emergency scenarios – i.e. trach dislodgement, decannulations, g-tube dislodgement (back up ventilators, tear down and set up ventilators – disaster preparedness. Trouble shooting vent alarms signals.
Bringing critical care to Colorado’s most medically fragile children.
### Home Health and Private Duty Nursing

**Rates Effective July 1, 2015-June 30, 2016**

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Revenue Code</th>
<th>Acute Home Health</th>
<th>Long Term Home Health</th>
<th>Rate Effective 7/1/2014</th>
<th>New Rate Effective 7/1/2015</th>
<th>Unit Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>RN/LPN</td>
<td>550</td>
<td>551</td>
<td></td>
<td>$103.11</td>
<td>$103.63</td>
<td>One visit up to 2 1/2 hours</td>
</tr>
<tr>
<td>RN Brief 1st of Day</td>
<td>-</td>
<td>590</td>
<td></td>
<td>$72.18</td>
<td>$72.54</td>
<td>One Visit</td>
</tr>
<tr>
<td>RN Brief 2nd or &gt;</td>
<td>-</td>
<td>599</td>
<td></td>
<td>$50.52</td>
<td>$50.77</td>
<td>One Visit</td>
</tr>
<tr>
<td>HHA BASIC</td>
<td>570</td>
<td>571</td>
<td></td>
<td>$36.67</td>
<td>$36.85</td>
<td>One hour</td>
</tr>
<tr>
<td>HHA EXTENDED</td>
<td>572</td>
<td>579</td>
<td></td>
<td>$10.97</td>
<td>$11.02</td>
<td>For visits lasting more than one hour, extended units of 15-30 minutes</td>
</tr>
<tr>
<td>PT</td>
<td>420</td>
<td>421</td>
<td>(for 0-17 years LTHH)</td>
<td>$112.77</td>
<td>$113.34</td>
<td>One Visit up to 2 1/2 hours</td>
</tr>
<tr>
<td>PT for HCBS Home Mod Evaluation</td>
<td>424</td>
<td>424</td>
<td></td>
<td>$112.77</td>
<td>$113.34</td>
<td>1-2 visits</td>
</tr>
<tr>
<td>OT</td>
<td>430</td>
<td>431</td>
<td>(for 0-17 years LTHH)</td>
<td>$113.50</td>
<td>$114.06</td>
<td>One visit up to 2 1/2 hours</td>
</tr>
<tr>
<td>OT for HCBS Home Mod Evaluation</td>
<td>434</td>
<td>434</td>
<td></td>
<td>$113.50</td>
<td>$114.06</td>
<td>1-2 visits</td>
</tr>
<tr>
<td>S/LT</td>
<td>440</td>
<td>441</td>
<td>(for 0-17 years LTHH)</td>
<td>$122.54</td>
<td>$123.16</td>
<td>One visit up to 2 1/2 hours</td>
</tr>
<tr>
<td>Telehealth Installation/Equipment</td>
<td>583</td>
<td>780</td>
<td>(with 98969, mod TG)</td>
<td>$55.21</td>
<td>$55.49</td>
<td>One time fee</td>
</tr>
<tr>
<td>Telehealth</td>
<td>583</td>
<td>780</td>
<td>(with 98969)</td>
<td>$10.43</td>
<td>$10.49</td>
<td>Per day, can only be billed if a home health unit is billed for the same day</td>
</tr>
</tbody>
</table>

**Maximum Daily Amount Acute Home Health**
- $480.48 $482.88
- 24 hours, MN to MN

**Maximum Daily Amount Long Term Home Health**
- $374.87 $376.74
- 24 hours, MN to MN

### Private Duty Nursing Rates

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Revenue Code</th>
<th>Rate Effective 7/1/2014</th>
<th>New Rate Effective 7/1/2015</th>
<th>Unit Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDN-RN</td>
<td>552</td>
<td>$40.83</td>
<td>$45.00</td>
<td>Hour</td>
</tr>
<tr>
<td>PDN-LPN</td>
<td>559</td>
<td>$30.66</td>
<td>$30.81</td>
<td>Hour</td>
</tr>
<tr>
<td>PDN-RN (group-per client)</td>
<td>580</td>
<td>$30.60</td>
<td>$30.75</td>
<td>Hour</td>
</tr>
<tr>
<td>PDN-LPN (group-per client)</td>
<td>581</td>
<td>$23.48</td>
<td>$23.60</td>
<td>Hour</td>
</tr>
<tr>
<td>&quot;Blended&quot; group rate / client*</td>
<td>582</td>
<td>$30.58</td>
<td>$30.73</td>
<td>Hour</td>
</tr>
</tbody>
</table>

*The "blended" rate is available on request for a Home Health Agency that provides Private Duty Nursing to multiple clients at group care settings. All Private Duty Nursing provided in those settings is billed at the same rate and revenue code for an RN or LPN.

*Targeted Rate Increase

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Date: 06/09/2014