



NEWS RELEASE

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Home healthcare reimbursement freeze is barrier to Commonwealth goal of advancing alternative care

HARRISBURG (Feb. 11) – A freeze on the state’s reimbursement rate for home health care for the fifth straight year is raising the barrier to Gov. Ed Rendell’s desire to encourage alternatives to hospital and nursing home care, the head of the PA Homecare Association (PHA) said today.

The Commonwealth has increased the payment for home health care Medicaid recipients just once in the past 16 years. The current Medicaid reimbursement rate is \$77, while the actual average cost per home visit is \$118 – a \$41 loss every time a nurse provides care to a patient.

The Pennsylvania Homecare Association is seeking a \$10 million increase in the state’s 2008-09 budget allocation to increase the Medicaid reimbursement to \$100 per visit for skilled services. The increase will help offset the cost of nursing care, rising gasoline prices, and workers’ compensation premiums for home health agencies. Last year alone, Pennsylvania home health agencies traveled more than 210 million miles and spent an additional \$6.7 million in 2007 to help cover the rising gasoline costs.

“A raise in the reimbursement rate will help us bring in more nurses, and also provide more people with the comfort of being treated in their own home,” said Vicki Hoak, Pennsylvania Homecare Association executive director. “People who use home health care have a lower readmission rate to the hospital, and it costs less to provide home health care than to have a person remain in an inpatient facility.”

Medicaid provides health care for low-income people under the age of 60. Nearly two million people are covered by Medicaid in Pennsylvania, but only about 10,000 of those receive at-home health care, she said.

“Offering more people home health care, is a desirable way to shift state and federal dollars away from higher cost health care solutions like emergency rooms and in-patient care,” she said. “Homecare is far more cost-effective than the alternatives.”

Hoak noted that despite the fact that Pennsylvania’s home health agencies have a proven success rate in keeping people out of the hospital; Pennsylvania still has some of the highest rates of any state for avoidable hospitalizations for those with chronic conditions. This is because of the lack of use of home health care.

Hoak said the PA Homecare Association supports Rendell’s goal of reducing the cost of providing optimum care while allowing citizens to remain in a home environment.

“The governor is correct when he identifies home health care as the more desirable solution for both the patient and the state treasury. We hope to persuade the General Assembly that a \$10 million investment in home health care is good fiscal policy because it is win-win situation: A win for Medicaid because home health care is cheaper than costly inpatient facilities, such as hospitals and nursing homes; and a win for consumers, who want to be cared for at home.

The Pennsylvania Homecare Association is headquartered just outside of Harrisburg and represents more than 300 agencies that deliver care and support directly in the homes of more than a million elderly and disabled citizens in the state of Pennsylvania. To learn more about in-home care, visit the PHA website at www.pahomecare.org.

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