



## **NEWS RELEASE**

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## **Stimulus Package Brings Little Comfort to Homecare & Hospice**

**Harrisburg** – According to the Pennsylvania Homecare Association (PHA), the most preferred and cost-effective way to deliver health care – in the home – is once again overlooked by Congress as a temporary moratorium on cuts to hospice payments is tempered by omission of a significant Medicare reimbursement differential for home care providers in rural areas.

A “5% Rural Add On,” did not make it into the stimulus bill. The “add on” is a Medicare reimbursement differential to offset the high cost of caring for patients in rural areas, where agencies are financially burdened by higher transportation costs. In some cases, transportation accounts for one out of every seven dollars spent.

PHA fears agencies in rural areas that have to absorb higher costs may be forced to reduce frequency of service. Providers such as SUN Home Health & Hospice, where 85 percent of patients are considered rural, fight to maintain high levels of patient service each and every year.

“At SUN, service cutbacks would be a last resort. We try very hard to do what is best and the ‘right thing’ for patients and not let the financials dictate clinical decisions,” said Steven Richard, president & CEO of SUN Home Health Services, a provider of homecare and hospice in 14 counties. The rural add-on is worth about \$130,000 annually to SUN.

Absence of the rural differential, coupled with economic volatility, decreases in community support and fluctuating gas prices, create uncertainty and budgetary challenges for many agencies that bring medical, non-medical and end-of-life care into people’s homes.

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While home care advocates continue to urge legislators to make the rural add on permanent, PHA is encouraged by a stimulus package provision that postpones for one fiscal year cuts to hospice payments previously approved by the Bush administration. The provision, estimated to be worth \$134 million in hospice payments in 2009 and \$600 million over five years, saves jobs and patient services that were threatened when Medicare rate cuts were announced last spring.

“The provision moves us closer to universal understanding of the critical need for hospice providers and end-of-life care,” said Vicki Hoak, Executive Director of PHA, who applauded Pennsylvania Senators Robert P. Casey (D-PA) and Arlen Specter (R-PA) for being “champions for hospice and home health care.” Both Senators voted in favor of economic stimulus package.

Hospice care involves a core interdisciplinary team of skilled professionals and volunteers who provide comprehensive medical, psychological and spiritual care for the terminally ill and support for patients' families. Most agencies offering hospice care provide that care in private homes.

According to the Hospice Association of America, the cost per day for 24 hours of in-home hospice care is \$788 while the per day cost for inpatient hospitalization totals more than \$5,500. In Pennsylvania, nearly 50,000 hospice patients are served by 143 service providers each year, according to the CMS. Pennsylvania has the third highest number of hospice services in the U.S.

Homecare has been hailed by Governor Rendell as the “next big thing” to contain health care costs by providing quality service, personal attention, and nursing skills without the overhead of large bricks-and-mortar institutions.

“But critical funding has yet to follow favorable reviews,” said Hoak.

**About PHA:** *The Pennsylvania Homecare Association is a statewide organization of homecare and hospice providers. PHA members, some 400 strong, provide quality care and serve as advocates for their patients and clients on a variety of healthcare related issues. PHA and its members work hard to improve professional standards and ensure access to quality homecare throughout the Commonwealth.*