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# Testimony of Rhode Island Partnership for Home Care

Senate Judiciary Committee Subcommittee  
on Crime and Terrorism

Medicare and Medicaid fraud and abuse is a targeted problem. It needs a targeted solution.



**Rhode Island Partnership  
For Home Care, Inc**

*A unified voice for home care and hospice*

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Rhode Island Partnership for Home Care  
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Good morning Senator Whitehouse and members of the committee.

My name is Mary Benway and I am the president of the Rhode Island Partnership for Home Care.

The Partnership for Home Care is the statewide trade association for licensed home nursing care, home care and hospice agencies in RI.

I am also a registered Nurse, Owner and President of Community Care Nurses, a partner in Capitol Home Care Network and a tax paying citizen of this country and this state. Before I begin my formal remarks on behalf of the RI Partnership for Home Care I want to take this opportunity to say that as a professional, a small business owner and a tax payer I am appalled by the horrendous behavior of a few unscrupulous health care providers, and I support any effort to confront agencies that are abusing the Medicare and Medicaid system and the patients they serve.

Both I and the Partnership for Home Care applaud the swift action of federal agencies and state law enforcement after a Texas doctor and the owners of five home health care agencies were charged earlier this month with \$375 million in fraud against Medicare and Medicaid.

Home health care, non medical home care and hospice agencies provide care for thousands of RI citizens every day. Among our patients are those who have acute illnesses and need short term care; older adults who need long term support to remain living in the community; persons with disabilities who may have medical issues or need assistance with activities of dialing living and children with special health care needs. We also are a major employer here in the state; our industry employs thousands of professionals and paraprofessionals.

The services home care provides are not only most preferred by patients and families; they are outcomes based, patient centered and the least expensive alternative to costly institutional care. We help lower hospital admissions, help keep people living in their communities and assist those at the end of life, ensuring that their final days are comfortable and dignified, and that their families are supported and cared for as well.

Many treatments that were once only offered in a hospital or physician's office can now be safely, effectively and efficiently provided in the patients' home. Chronic diseases, which are among the costliest of Medicare services, can be successfully managed by skilled home health care providers working with the patient.

Every 13 seconds, another American turns 65 years old. This trend will continue for the next 20 years. In 2009 3.3 million people received Medicare funded home health care. With the onset of the aging baby boom generation millions more will join their ranks. The time to repair the system is now.

America's health care sector is rife with waste, fraud and abuse. The Government Accountability Office reported in January 2009 that 10% or \$32.7 billion of Medicaid payments made in 2007 were improper. Estimates of Medicare waste; fraud and abuse are even more staggering.

The Home Care industry and our national associations, the National Association for Home Care and the Visiting Nurse Association of America have been champions for program integrity and have recommended to Congress, CMS , MedPAC and other regulators various strategies to improve quality and payment integrity. Before I explain some of them I need to make clear the following:

***Medicare and Medicaid fraud and abuse is a targeted problem which requires a targeted solution.***

MedPAC has identified 25 counties in the US with excessive utilization. The problem is not nationwide.

The percentage cost increase to Medicare in these 25 counties, between the years of 2005 and 2009, was nearly 3.5 times the increase in the US as a whole. The table which I have attached to this testimony identifies those 25 counties, which I will call the "MedPAC 25".

When compared to the broader home health community, the growth and spending in these counties is totally out of line. The number of providers in the country grew by 7.3% in the 2005-2009 timeframe but the growth in the “MedPAC 25” grew by 41.8%. Home health revenue growth in the US during that same period averaged 11.75 % and in the “MedPAC 25” it was 40.8%.

You have to wonder who is minding the store and why these obvious outliers did not draw scrutiny and investigation.

It is crucial to eliminate fraud and abuse while also ensuring that beneficiaries maintain access to needed care. A current proposal to recoup lost Medicare revenue by charging beneficiaries a copayment is not the right response to criminals’ fraudulent billing. Rather than placing the financial burden on all recipients of home care - the innocent, vulnerable and homebound seniors - our government needs to focus on and weed out the criminals.

That being said there are some specific actions we think would go a long way to address the problem:

1. Enact a moratorium on new certifications of Medicare participating home health agencies;
2. Cap outlier payments;
3. Require background and competency credentialing of home health agency owners, executives and managers;
4. Mandate that all home health agencies maintain a comprehensive compliance plan.
5. Require reporting of all financial relationships with patient referral sources
6. Mandatory Data Transparency- Make all claims data publicly available

There are other more detailed recommendations available from the National Association for Home Care, the Partnership for Home Health Integrity, the Visiting Nurse Association of America and the Fight Fraud First Coalition. I urge you to review their expert reports, data and analysis.

On a smaller scale, The Rhode Island Partnership for Home Care has adopted a code of ethics to which each of our members must ascribe. The code is our pledge to conduct our businesses with integrity, treat our patients with dignity and treat each other with respect. I have attached a copy of the code for your review. We have also reminded our members to “keep it legal” and report any wrong doing to federal authorities. I have also attached a copy of a document identifying common practices that are prohibited. We invited the FBI and interagency Health Care

Fraud Program from Boston to meet with our members and acquaint them with the fraud and abuse reporting process. I tell you this to demonstrate that we are taking steps, not just paying lip service to our commitment to ethical business practices and compliance with Medicare and Medicaid requirements.

I close by reiterating a previous point; the home care industry is committed to quality, integrity and efficiency of the Medicare skilled home health benefit. The fraudsters are shining a negative light on us and we want the HHS Secretary, OIG and the Department of Justice to continue investigating aberrant market practices and close the perpetrators down.

The expensive spending growth and overutilization of services is not difficult to identify and with oversight from committees like this, I am confident that we can restore the public trust, save valuable resources and provide exceptional care to those in the Medicare and Medicaid programs.

Thank you for your attention and I would be happy to answer any questions you might have for me.

Attachments:

US HH Program integrity

4 Reasons pdf

RIPHC Code of Ethics

