Tender
Nursing
Care

Home Health and the Ohio Medicaid Budget

Friend or Foe

What Do You Think?

Special thanks to the
Governor's Office on Health Transformation
for the data slides.

Aide Services

- I think that we can all agree that aide services are the backbone of any strong home and community based program.
- They are more cost effective than nursing home placement.
- And they significantly improve the quality of life for those we care for.

Medical Hot Spot:
Per Capita Health Spending: Ohio vs. US

Measurement	US	Ohio	Percentage Difference	Affordability Rank (Out of 50 States)
Total Health Spending	**$5,283**	**$5,725**	**+ 8%**	**37**
Hospital Care	$1,931	$2,166	+ 12%	38
Physician/Clinical	$1,341	$1,337	- 0.3%	27
Nursing Home Care	$392	$596	+ 52%	45
Home Health Care	$145	$133	- 8.3%	35

Ohio | Governor's Office of Health Transformation

Source: 2004 Health Expenditure Data, Health Expenditures by State of Residence, Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group, released September 2007; available at http://www.cms.hhs.gov/NationalHealthExpendData/downloads/res-us.pdf

Can We Agree?
We Are A Great Friend!

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Friend?

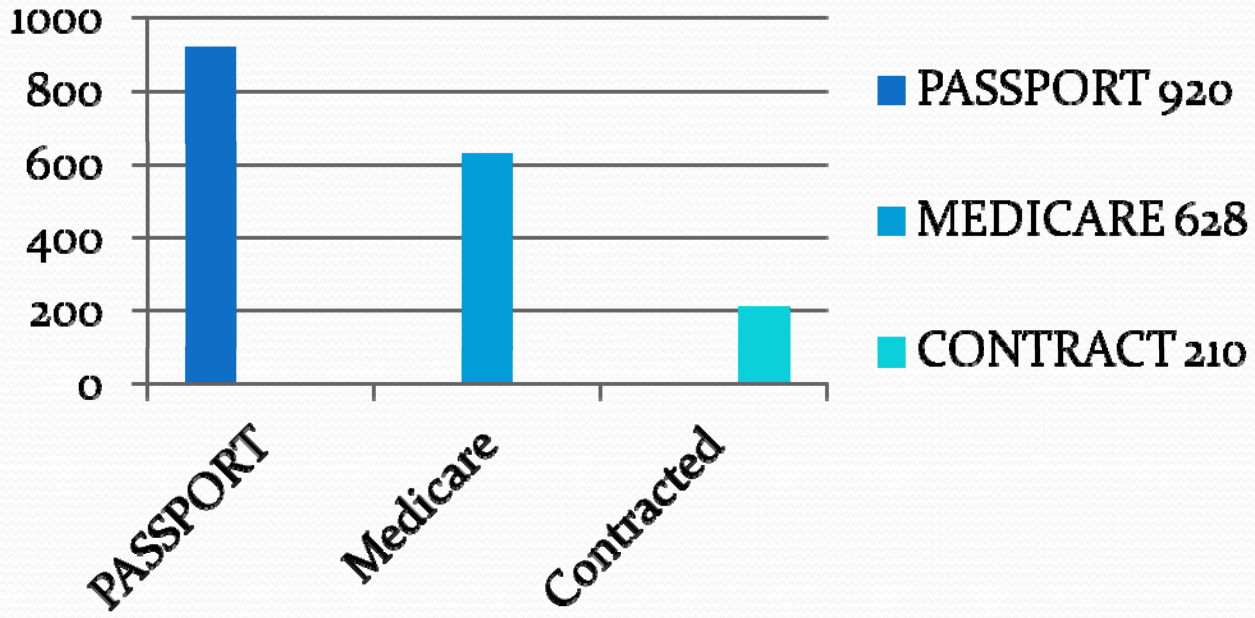
Why Are You
Putting Me
Out of Business?

You've Got Mail

"...you can't forgive me for this little thing... of putting you out of business." Joe Fox

Joe Fox: It wasn't... personal.
Kathleen Kelly: What is that supposed to mean? I am so sick of that. All that means is that it wasn't personal to you. But it was personal to me. It's personal to a lot of people. And what's so wrong with being personal, anyway?
Joe Fox: Uh, nothing.
Kathleen Kelly: Whatever else anything is, it ought to begin by being personal.

Ohio Home Health Providers



Simple Facts, Simple Math

- Molina and CareSource are closed networks and are not accepting new providers.
- As recently as last week, a provider received a letter stating: *"…We regret to inform you that we will not be processing your application at this time as we currently have adequate representation of your specialty in our network."*
- *920-210=710 PASSPORT agencies will fold.*

Lay-offs From Our Agency Alone

- The planned changes will more than likely force us to close our agency.
- *At the very least, we will be forced to lay off more than 34 aides and 2 nurses, if we just take into account the single waiver plan.*
- *The rest of our business will be wiped out with the dual eligible planned changes.*

OHIO DEPARTMENT OF HEALTH
246 North High Street
Columbus, Ohio 43215
614/466-3543
www.odh.ohio.gov
John R. Kasich / Governor
Theodore E. Wymyslo, M.D. / Director of Health

December 21, 2011

Maria Thacker, Administrator
Tender Nursing Care, Inc.
7668 Slate Ridge Boulevard
Reynoldsburg, OH 43068-4784

RE: Tender Nursing Care, Inc.
CMS Certification Number (CCN): 367783

Dear Ms. Thacker:

The Director of the Ohio Department of Health and I were pleased to note that your Home Health Agency was found compliant with all applicable Medicare Program requirements at the time of the re-certification survey completed on December 15, 2011.

Deficiency free surveys indicate a significant effort on the part of the administration and staff. It is an accomplishment for which you and all staff at Tender Nursing Care, Inc. can be justifiably proud.

Congratulations. We look forward to your agency continuing to operate at this exemplary level.

Sincerely,

Rebecca S. Maust, Chief
Division of Quality Assurance
State Survey Director

RM:kk

The Age Old Question

What do we do with our most vulnerable citizens?

What If the Networks Open?

- There is a possibility that the state will add an "equal and open provider network clause“ in the RFP for Medicare and Medicaid to provide agencies with an equal opportunity to continue to provide services to their clients.
- The question then becomes, can we afford to accept a contracted lower rate of reimbursement? The answer is sadly no as the next two worksheets will show.
- I hope that you take time to do the math for yourselves.

Aide Services Calculator

Billing Rate Calculator -- Aide Services

1) Average Hours Billed per month	6467
2) Average Caregiver Hours Paid per month	7000
Caregiver Productivity	92.39%

Instructions	
	Blue = User Entered Data
	Red = Calculated Results - Do Not Change

Direct Cost of Providing Care:	% of Wages											
3) - Average Hourly Wage			$7.00	$7.50	$8.00	$8.50	$9.00	$9.50	$10.00	$10.50	$11.00	$11.50
4) - FICA Tax	7.65%		$0.54	$0.57	$0.61	$0.65	$0.69	$0.73	$0.77	$0.80	$0.84	$0.88
5) - State Unemployment	3.50%		$0.25	$0.26	$0.28	$0.30	$0.32	$0.33	$0.35	$0.37	$0.39	$0.40
6) - Federal Unemployment	0.10%		$0.01	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01
7) - Workers Comp Insurance	9.50%		$0.67	$0.71	$0.76	$0.81	$0.86	$0.90	$0.95	$1.00	$1.05	$1.09
Other Costs of Providing Care	**Cost per Month**	**Cost per Hour**										
8) - Benefits & Insurance	$3,100.00	$0.44	$0.44	$0.44	$0.44	$0.44	$0.44	$0.44	$0.44	$0.44	$0.44	$0.44
9) - Travel and Monitoring Expenses	$1,500.00	$0.21	$0.21	$0.21	$0.21	$0.21	$0.21	$0.21	$0.21	$0.21	$0.21	$0.21
10) - Scheduling and 24/7 On-Call	$2,400.00	$0.34	$0.34	$0.34	$0.34	$0.34	$0.34	$0.34	$0.34	$0.34	$0.34	$0.34
11) - Caregiver Recruiting & Orientation	$900.00	$0.13	$0.13	$0.13	$0.13	$0.13	$0.13	$0.13	$0.13	$0.13	$0.13	$0.13
12) - Caregiver Education	$300.00	$0.04	$0.04	$0.04	$0.04	$0.04	$0.04	$0.04	$0.04	$0.04	$0.04	$0.04
Total Direct Cost of Providing Care			$9.62	$10.23	$10.83	$11.44	$12.04	$12.64	$13.25	$13.85	$14.45	$15.06
Other Operating Costs												
13) Business Development Costs	$500.00	$0.07	$0.07	$0.07	$0.07	$0.07	$0.07	$0.07	$0.07	$0.07	$0.07	$0.07
14) Office Operating Costs	$8,000.00	$1.14	$1.14	$1.14	$1.14	$1.14	$1.14	$1.14	$1.14	$1.14	$1.14	$1.14
15) Administrative Costs	$8,000.00	$1.14	$1.14	$1.14	$1.14	$1.14	$1.14	$1.14	$1.14	$1.14	$1.14	$1.14
Total Cost of Operations			$11.98	$12.58	$13.19	$13.79	$14.40	$15.00	$15.60	$16.21	$16.81	$17.41
16) Company Profit Margin Minimum	10.0%		$1.20	$1.26	$1.32	$1.38	$1.44	$1.50	$1.56	$1.62	$1.68	$1.74
Billing Rate			**$13.18**	**$13.84**	**$14.51**	**$15.17**	**$15.84**	**$16.50**	**$17.16**	**$17.83**	**$18.49**	**$19.16**
Overtime Rate			**$19.77**	**$20.76**	**$21.76**	**$22.76**	**$23.75**	**$24.75**	**$25.75**	**$26.74**	**$27.74**	**$28.73**

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Standard Medicaid Aide Rates
(Managed Care Medicaid Aide Rates)

Number of Hours	1 Hour	2 Hours	3 Hours	4 Hours	5 Hours	6 Hours	7 Hours	8 Hours
Billable Rate	23.48 (21.13)	35.48 (31.93)	47.48 (42.73)	59.48 (53.53)	71.48 (64.32)	83.48 (75.13)	95.48 (85.93)	107.48 (96.73)
Effective Hourly Rate	23.48 (21.13)	17.74 (15.97)	15.83 (14.24)	14.87 (13.38)	14.30 (12.87)	13.91 (12.52)	13.64 (12.28)	13.44 (12.09)
What can an agency pay an aide:								
Profit Margin								

Waiver Changes 2012

Is This Plan Best?

Increased NH Placement

Threatens the Quality of Care

Profoundly Limits Client Choice

Best Way To Put Providers Out of Business

PASSPORT PROGRAM

- By all accounts, the PASSPORT program has an incredibly good reputation for successfully keeping the most vulnerable clients happily and safely in their own homes.
- By all accounts, the managed care organizations have a poor reputation for case managing the simplest population, with the fewest needs. There have been findings of fraud and complaints of a low level of quality care.
- Why change the heart of a system that is working well?

CHANGE

- I understand that we are currently leaving money on the table and that we need to make changes immediately to capture that money.
- Your committee owes it to our state, our citizens, and all of those who provide Medicaid services to make some prudent changes immediately that will enable us to get that money.
- I would encourage this committee to refocus it's efforts immediately towards improving what already works in this state and making the minimal changes needed to get this money off of the table and into the state coffers?

Q & A (If Time Allows)