

## ACT Home Health, Inc.

*"We don't just treat patients, we help people"*

April 9, 2013

John Mendoza, Acting Division Chief  
Fee-For-Service Rates Development Division  
Department of Health Care Services  
1501 Capitol Avenue, MS 4600  
Sacramento, CA 95814

Dear Sir,

As the Administrator for ACT Home Health I want to provide a public comment on the "Medi-Cal Further Rate Review of Access to Home Health Agency Services for 2001-2005".

While there are many issues I could comment on, I feel the most critical is the missing information in evaluating the totality of this situation. The Department of Health Care Services review fails to ask a most poignant question: "Do the current reimbursement rates give providers the means to hire a sufficient quantity of staff to ensure beneficiaries are receiving all the services they are entitled to under the Medi-Cal program?" While DHCS did not even ask this question, which is a paramount measurement of whether the program is effectively meeting the needs of patients, I can answer via my professional experience that the answer to the question is "No." And the reason the answer is "No" is because agencies are unable to attract, hire and retain nurses to provide services due to the basic fact that the rates we are able to pay, which is directly correlated to amount of reimbursement we receive from the Medi-Cal program, are nowhere near sufficient to compete with payrates offered at hospitals and other healthcare settings.

DHCS is stating that they believe there are enough licensed home health agencies to meet the existing needs of Medi-Cal Beneficiaries and therefore reimbursement rates are sufficient. While I am neither agreeing nor disagreeing with that position, I am stating that there is a significant difference between saying there are sufficient providers and saying there is sufficient nursing staff. In my view, a more appropriate measure of whether reimbursement rates are sufficient is to determine whether existing providers have sufficient staff to meet the needs of the beneficiaries.

As a home health provider since 1997 I can attest to the persistent lack of nursing staff available to service the medical needs of our patients and families. On a daily basis, a great percentage of our patients do not receive the services they are eligible for simply because we cannot hire staff to provide care. Presently we do not fulfill 19% of the services our physicians order simply because we cannot find nurses who are willing to work for the rates we can offer.

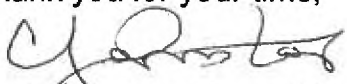
If hospitals were understaffed by 19%, meaning they had to provide care to all their patients with almost 20% less staff, there would be a huge outcry that this is not acceptable. While home health private duty nurses understand and accept that they will receive less pay in this setting than at other settings, most will not work for payrates that are consistent with reimbursement rates established in the year 2000.

Expecting home health businesses to be able to operate in the year 2013 with reimbursement rates established in 2000 is unrealistic on the part of DHCS. Common sense, and the results of daily paying of bills will show anyone that business expenses are not going down, they are going up. The ability to maintain a viable business entity is then tied to the willingness of nurses to accept substandard wages so that the business can remain open. As we lose more and more nurses to other healthcare settings, the patients and families we serve continue to experience greater and greater losses of services, and substandard nurses as well. We cannot hire the best nurses when using the poorest wages.

Additionally, when a nurse leaves a case it takes months to find replacements because of the low payrates. In the meantime, families are left to fend for themselves. If this were the same scenario in hospitals, patients would be discharged and be responsible for their own care at home, because the hospital could not admit them without a nurse to care for them. We have waiting lists of patients who have contacted us for care, but since we cannot even offer them a single nurse to help out for even a portion of their eligible hours, we cannot admit them for care.

All these unserved patients and services do not appear in the rate study conducted by DHCS, but they do exist. It is imperative that these concerns be included whenever reimbursement rates are discussed and established. If rates remain inadequate, patients and families will continue to be underserved or not served at all. Once healthcare providers can no longer convince nurses to work for wages that are, in some cases, as much as \$15 an hour less than what hospitals pay, patients will be without any care at all and will then return to higher-cost settings.

Thank you for your time,



Catherine Johnston, RN, BSN, PHN  
CEO / Administrator