

## **Testimony of Steve Guenthner, CEO Patriot Home Care/CareRing Health**

### **Chairman Kinsey & Chairman Hefley, members of the committee and committee staff:**

Thank you so much for the opportunity to be with you here today to participate in this hearing regarding home care services in the Community Health Choices program.

My name is Steve Guenthner. I am CEO and founder of CareRing Health the parent company of Patriot Home Care. Patriot Home Care is one of the Commonwealths largest providers of home care services.

Founded in 2012 Patriot serves approximately 3,000 members monthly through 12 service locations ranging from six in the Philadelphia area to Allentown, Reading, Harrisburg, Pittsburgh, Beaver Falls and Erie.

Through its CareRing Health parent and affiliated companies, Immediate Home Health & Hospice and Visiting Medical Group home-based primary care, CareRing seeks to provide beneficiaries with a fully integrated healthcare at home services model.

Altogether, CareRing serves beneficiaries across six states in the mid-Atlantic to Midwest region, including and surrounding Pennsylvania. We have a total of 5,700 employees and service approximately 5,000 beneficiaries systemwide. Our range of services include house-call physicians and nurse practitioners, registered and license practical nurses, physical, occupational and speech therapists, medical social workers, and aide services. In other words, a full range of in-home healthcare services.

I personally have spent substantially all of my 40+ year working career in national scale healthcare companies, committed to maintaining beneficiaries in their homes.

We have made a significant commitment to, and investment, in Pennsylvania and are happy to be working with you in the evolution of healthcare services for the Commonwealth's most vulnerable, mainly the aged or disabled beneficiaries of the CHC program.

These beneficiaries have been certified by physicians and care oversight organizations to require nursing-facility level of care. As you also know, the majority of these beneficiaries are "dually-eligible", meaning they have both Medicaid and Medicare coverage.

If not for the services of the CHC program, in conjunction with additional healthcare services funded by Medicare, these aged or disabled patients would wind up institutionalized in nursing homes.

The supports and services provided by the CHC program are absolutely essential to these individuals. Pennsylvania has been a national leader in "re-balancing" away from institutional nursing homes, and towards home and community based services.

Nonetheless, we believe there are many opportunities to improve the efficacy of this Program, better ensure the provision of quality care, reward providers based on quality measures, and to expand and strengthen the pool of workers to provide these critically needed services.

Importantly, we have the opportunity to ensure the full arsenal of Medicare funded services are brought to bear with this patient population so that Pennsylvania funded Medicaid dollars can be stretched as far as possible, to serve as many beneficiaries as possible.

My testimony before you today, both in my prepared remarks, and in the question and answer session, can best be organized into the following four categories:

- #1 Ensuring payment adequacy to attract, train, equip, and retain caregivers. Based on a Health Management Associates study, commissioned by my company, Pennsylvania ranks near the bottom among comparable states in the adequacy of its payment rates ranking 12th of 14 regional peer states. In fact, the only border state with lower rates is West Virginia. We strongly encourage the Commonwealth to invest more in its personal care services rates enabling providers to invest in developing and retaining quality caregivers.
- #2 Using Uniform Value Based Payment mechanisms that differentially but consistently reward providers for different levels of quality and compliance. The CHC program has delegated to the various managed care organizations the design of such programs. Each payor has designed a different VBP program for Providers to contend with. As result, CHC Home Care providers are faced with the additional red tape and technicalities of multiple programs, and find it difficult to rationalize the investments necessary to optimize quality care delivery, when each payer constructs a different model. We encourage the Commonwealth to develop a single fair and reasonable Value Based Payment program to encourage desired behaviors by Personal Assistance Service agencies.
- #3 Ensuring appropriate program integrity controls are in place to minimize the risk of fraudulent or abusive practices so that the Commonwealth may invest in home based care safely and without worry. We strongly support tightening program controls, such as electronic visit verification standards and mandatory implementation of technology, assuming, of course, appropriate payment levels are in place to support the associated additional costs.
- #4 Finally, and perhaps, most importantly, taking steps to thoughtfully integrate available Medicare-funded healthcare services into patient-centered care plans. We believe this will deliver superior patient experience, satisfaction and quality of life. This will also serve to minimize emergency room, hospital and nursing home utilization all while minimizing the fiscal burden on the Commonwealth of Pennsylvania and its taxpayers.

Caring Health was founded on the principle of bringing health-equity to the dually-eligible, who are reliant upon our national and state safety-net programs while at the same time, extending the life and fiscal sustainability of these programs through better coordination of right-care, right-place, right-time, funded by the right payer.

Again, thank you so much for this wonderful opportunity to participate in today's hearing. We look forward to continuing our work together and I'll look forward to answering your questions.

***Attachment A: Comparable State Hourly Rate Schedule***

## Comparison of PA Personal Care Reimbursement Rates to Surrounding States

Source: Health Management Associates' analysis of publicly-available fee schedules and other source documents -- work commissioned by Patriot Home Care/CareRing Health.

State Cohort	Rank	State *	Average Rate/Hr		Cohort Hour Rate		PA % of Cohort	
			Rate/Hr	Mean	Median	Mean	Median	
<b>Top 4</b>	1	New York*	\$ 32.69	\$ 30.44	\$ 30.25	67.8%	68.2%	
	2	Indiana	\$ 31.46					
	3	Kentucky	\$ 29.04					
	4	Delaware*	\$ 28.56					
<b>Middle Group</b>	5	Illinois	\$ 27.81	\$ 24.94	\$ 24.84	82.7%	83.1%	
	6	New Jersey*	\$ 25.16					
	7	Washington DC	\$ 24.84					
	8	Maryland*	\$ 24.84					
	9	Ohio*	\$ 23.53					
	10	Tennessee	\$ 23.44					
<b>Bottom 4</b>	11	Virginia	\$ 21.16	\$ 20.23	\$ 20.42	102.0%	101.1%	
	12	Pennsylvania	\$ 20.63					
	13	Michigan	\$ 20.20					
	14	West Virginia*	\$ 18.92					
<b>All States Excl. PA</b>				\$ 25.51	\$ 24.84	80.9%	83.1%	
<b>PA Rate Short-fall % of PA Rate</b>				\$ 4.88	\$ 4.21	23.7%	20.4%	

**PA pays between 20%-25% lower rates for hourly aide services than the peer group shown above.**

\*PA Border States Only  
(DE, NJ, NY, WV, MD, OH)

\$ 25.62 \$ 25.00 80.5% 82.5%