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**TESTIMONY OF WILLIAM A. DOMBI, PRESIDENT  
NATIONAL ASSOCIATION FOR HOME CARE & HOSPICE**

**Submitted for the Record at a Hearing on**

**MISSION Critical: Examining Provider Relations During the Transition to VA's New  
Community Care Program**

**Before the  
COMMITTEE ON VETERAN'S AFFAIRS  
SUBCOMMITTEES ON HEALTH AND OVERSIGHT AND INVESTIGATIONS  
February 12, 2020**

**For additional information please contact: NAHC Government Affairs 202-547-7424**

Since 1982, the National Association for Home Care & Hospice (NAHC) has been the leading association representing the interests of home health, hospice, and home care providers across the nation, including home caregiving staff and the patients and families they serve. Our members are providers of all sizes and types -- from small rural agencies to large national companies -- and include government-based providers, nonprofit voluntary agencies, privately-owned companies and public corporations. The provision of high-quality, life-enhancing care to vulnerable individuals and education and support to their loved ones is central to our collective purpose. We welcome the opportunity to submit testimony for the record for a hearing before the House Committee on Veteran's Affairs, Subcommittees on Health and Oversight and Investigations on "MISSION Critical: Examining Provider Relations During the Transition to VA's New Community Care Program," and to provide our views on key issues related to The operation of the VA's home care benefit programs.

## Home Care Benefits in VA Health Care

The Veteran's Administration health care benefits for home-based care present one of the most robust arrays of supports for care in the home of any government health care program, far exceeding Medicare supports and rivaling even the best Medicaid program for home and community-based care. The benefits include skilled home health care, homemaker & home health aide care, hospice care, respite care, palliative care, home-based primary care, remote monitoring care, Veteran-Directed care, and adult day health care.

[https://www.va.gov/GERIATRICAL/pages/Home\\_and\\_Community\\_Based\\_Services.asp](https://www.va.gov/GERIATRICAL/pages/Home_and_Community_Based_Services.asp).

While the exact number of veteran's receiving such services is not readily known, we estimate that it is nearly 1 million veterans of all ages. As such, the array of benefits shows a strong commitment in the VA to provide significant and unrivaled home-based care opportunities for this nation's veterans. There can be no doubt that the VA is a leader in providing cost effective, high quality, and innovative health care services in the home.

While designing a package of home care benefits for veteran's is an important step to meeting their health care needs, it is equally important that the benefits be implemented in a timely and effective manner. The transition to the new Community Care program demonstrates that proper implementation planning and execution can make a dramatic difference in delivering on the promise of home care services. At present, there is a great deal of room for improvement in the VA's transition to Community Care. We do emphasize that the VA and its contractor, Optum, are working hard to bring about full implementation of the home care benefits as part of Community Care. Unfortunately, the outcome continues to fall short of what our veteran's deserve. However, there is time to learn lessons from the early stages of the Community Care transition to establish implementation modifications and improvements as the transition continues to unfold.

In that respect, we can only speak to experiences in home care programs. We sincerely hope that home care is an anomaly in the implementation of Community Care. Still, in terms of the home care programs, the implementation issues cover several important aspects of health care access and delivery. The issues that have surface involve:

1. Confusing communications
2. Securing an adequate supply of care providers
3. Care authorization
4. Payment delays
5. Payment rate cuts

Each of these subject areas are addressed in more detail below.

## **Communications**

NAHC members report ongoing difficulties in gaining an understanding of what is changing through Community Care, who is responsible for the various parts of the transition to Community Care, and how the care authorization process and provider enrollment process is supposed to work.

Today, a starting point in communications is the web site of the government agency. To the extent that comprehensive information about the Community Care transition is available on the VA web site, it is very difficult to uncover. For professional providers of care, a crucial linkage for patients, the web site navigation is very confusing and appears to offer information only through laborious searches that depend on knowing the right key words. Once a party gets past the scanty description of the home-based care benefit package, it is near impossible to find the detailed information need to determine what is needed for an existing VA home care provider to qualify to provide services in Community Care. For veterans, it is seemingly impossible to determine how to access home care benefits in the new program model.

NAHC recommends that the VA undertake a wholesale evaluation of its website and to initiate revisions that provide for improved navigation and content that answers these and other basic questions that exist in any health care program.

## **Access to Providers of Home Care Services**

Across the country there are an estimated 30,000 providers of home care and hospice services. Of those, over 11,000 are home health agencies and over 4500 hospices participating in Medicare. The remainder provide Medicaid and private pay nursing and personal care services. Many of these providers had accepted VA patients into their care. However, due to changes connected to the transition to Community Care, many of these longstanding providers of care to veterans are now on the outside looking in, turning away prospective patients on a daily basis while waiting for months to complete a credentialing, contracting, and enrollment process long after the transition to a new contractor in Community Care has started its administration of the home care benefits.

The difficulties experienced by home care providers is well explained by Sheila Rush in a recent email to NAHC. Ms. Rush is the owner of a home care company, Nurses Care, Inc., operating in Ohio.

Our agency, Nurses Care, Inc, receives referrals for home care for veterans from the VA, ordinarily several in one week, sometimes several in one day. We care for the vets in the Dayton/Cincinnati region. As of Dec 10, 2019, the VA office from where our referrals normally come told us that we are not on the provider list, so they cannot give us referrals unless it is for a vet that we have previously cared for through VCA or Triwest. We contacted Optum on Dec 10 to find out why they do not have us as a Provider.

A little background: Prior to this, I was sent a Contract to sign on June 21, 2019, via email from Coletta Lloyd, VA Network Contractor, United Healthcare in St Louis, with instructions to sign and mail to this address: United Healthcare, 780 Shiloh Rd, MS-1.700, Plano, TX 75074, so that we could continue to be a Provider for the VA. I signed the contract and mailed the same day. I also emailed Ms Lloyd a copy of that signed Contract.

When informed by our VA office that we could no longer receive referrals as of Dec 10, I contacted the Optum phone number (888) 901-7407 to find out why we are not in the system. I was told they would escalate our complaint, and they would call me back within 5 days. They gave me a Case Id #. I called Coletta Lloyd who then called Optum and forwarded my signed Contract to the Optum office on Dec 10, so I know they have had our signed Contract since Dec 10.

They told her our case was being escalated. We have never received a call back. I now have called Optum **ten** times over the past month, only to be informed the exact same thing every time, our case was being escalated and they would call back within 5 days.

Today I called the VA customer service center and explained to her our situation. She called Optum with me on the line and asked for a supervisor. We again explained our situation, and were told, "We have a Contract signed by you on Dec 16 that we received on Dec 10. We are just waiting for it to be downloaded into the system." I informed the girl that I signed the Contract on June 21, and asked how she could have received a Contract on Dec 10 that was signed on Dec 16. I asked her to forward it to me. She stated that she was only reading notes in my file. They promised to call back by noon tomorrow, Jan 9. So, the same run-around again.

We received 107 VA referrals in 2019. What is going to happen to these vets in 2020? The VA Dayton loves working with Nurses Care, because we cover a large area and get out to see the patient the day of or the day after the referral. We spoke with them again today, and they have been instructed that, as of Jan 10, they can no longer give us **any** referrals unless we are in the Optum system as a Provider, not even patients that we have had in the past. I don't understand why we can't continue to see the vets under Triwest. Is there anyone who can help us?

Update 2/6/20 - The Dayton VA contacted us to let us know that Nurses Care is showing up in the Optum system! The Dayton VA has been sending us referrals under Triwest, which they had the approval to do until Feb 8. The last few weeks we have received a few Triwest, VCA, and now Optum referrals. Our next issue is trying to make sure that we get paid as promised.

The good news is that Nurses Care, Inc. is finally an approved home care provider. It took many months of confusion to work it all through. That is not an appropriate experience for a longstanding VA home care provider. A different outcome is affecting another home care provider.

“We are a small independent home care agency with a census of 85. 64% of our clients are veterans. When the transition to Triwest occurred, we were required to credential with them rapidly but not required to have a contract. This transition happened in late February 2019. We heard about the upcoming transition to Optum and have been reaching out to them to ensure our clients will continue to be cared for. As of this date, we have not received any official word from Optum when this transition will take place. The local VA office continues to provide authorizations for Triwest, however Triwest is slow to pay resulting in RAPS being autocancelled and claims being rejected. It has been a living nightmare! Currently Triwest owes us close to \$300,000 for services rendered. Multiple attempts to collect have fallen on deaf ears or pass the buck scenario happens. The local VA doesn't appear to have any clue what is happening as well. We are the only home care agency that will provide care to our local veterans but will soon be forced to discontinue doing so.” **Greg Leivishka (Dove Home Health Professionals)**

NAHC is also aware of significant problems on the credentialing and enrollment loading phases involving multiple home health providers that operate throughout the country. Despite significant time and resources put into resolving the issue, nearly 250 of those locations are still outside the Optum system. Many of these locations are some of the highest quality home health agencies in the country according to the Medicare Home Health Compare website presented by the Centers for Medicare and Medicaid Services (CMS).

As the transition to a new VA contractor occurs across the country, NAHC recommends that the VA consider revising the provider enrollment process to avoid a loss of access to care, improve the options available to the veterans, and ensure that patients' needs are prioritized over paperwork. The revisions could follow a path travelled by a number of state Medicaid programs when those programs transitioned from a “fee for service” program to Managed Long Term Services and Supports. There, the transitions permitted: 1.) beneficiaries to continue receiving authorized services from their existing provider for 6 months or more; 2.) grandfathering in existing home care providers on a provisional basis while undertaking any desired credentialing and contracting; and 3.) maintaining pre-existing payment rates for a designated period of time. This manner of programmatic transition secured near seamless experiences for patients and providers alike without creating any significant difficulties for the state or its contractors.

## Care authorization

A longstanding problem with VA home care, care authorization, continues in Community Care. With this issue, it appears that the causation lies with the VA rather than its contractors. Here are some of the reports we have recently received:

- “we are having much difficulty getting VA physicians on a timely routine of signing our orders prior to billing.”
- “At this time we are having an issue with getting our Auths from the VA in Newington CT in a timely manner, we are still waiting on auth from 10/1/2019 and we need them in order to bill its now 1/8/2020.”
- “Another issue with VA is receiving authorizations for Community Care Services such as homemaker and HHA services. We receive the referral and begin services but it may take six months or more before we receive the authorization. We must have the Authorization number before we can bill so we have to wait for 6 months or more before we can bill.”
- “I am a director in Nebraska and we are having a very difficult time with getting a straight answer regarding who are to put in as a payer...all our auths are coming in a VA Care in the Community, but they have stated that VA is now a PPS payer and that they should have been with Triwest...we were never told that and they are saying that Optum is not ready until at least March to begin paying...my billing company hasn't received a straight answer from anybody at the VA regarding who should be put in as a payer...please advise...thank you!”
- “We are having similar challenges with the Rodebush VA in Indianapolis, IN. Claims that are directly being paid thru the VA Hospital are just very slow to pay and deny for erroneous reasons such as incorrect bill type. We then have to fax our dispute and it appears they only have one person processing all home health claims and researching errors. Therefore the timeliness of payment resolution is poor.

In addition, authorizations are a challenge especially for clients that need additional authorization. Receiving the necessary paperwork is always behind therefore we have to see the client prior to receiving the authorization.

Referrals with authorization / claims going to contracted party, TriWest and/or Optum , is also a challenge because even if the referral/initial auth states TriWest or Optum, many times they are not even aware of the client. So we have to assume the VA is not notifying them. We start service on the client but do not have the ability to get reimbursed. Many times, necessary information required by the third parties such as referral numbers are not being given to us on the forms either.

I am in discussion on all of these issues with Rodebush VA but at this time these are still current issues.”

- “The owner at this time has stopped taking any New VA patients until they VA can get our auths to us faster.”

In the absence of care authorization, care cannot start. In the absence of a start of care, the veteran is at risk of an acute exacerbation of his/her condition that may necessitate much higher cost care than home care. In some circumstances, the absence of a care authorization can jeopardize the life of the veteran. NAHC respectfully recommends that the VA take immediate steps to expedite home care authorizations. Alternatively, the VA can rely upon the judgement of those professionals caring for the veteran and cover care a certified necessary by the attending practitioner.

### **Payment Delays**

For those patients and providers fortunate enough to secure home care authorizations, the trials and tribulations are just beginning. Payment delays abound. Here are a few recent comments from NAHC members:

- “We are just starting to get pd now 97 days out”
- “A lot of the claims starting May 19 has not been paid due to VA internal workings.”
- “We .... have been providing services to the VA since 2009. Over the last few years, our payments have become slower and slower with more and more denials. In the last year or so, there was a major change in the VA and they moved the billing staff from Orlando to Tampa, and now we cannot even reach anybody there anymore.

Despite all this we continue to serve the veterans because we don’t want to see them suffer more than they are already.

It has come to the point where we are owed more than \$250,000 by the VA, which as you can imagine is putting a major financial strain on our operations, and we are afraid that we will either need to close down or cease serving these veterans if these issues do not get resolved shortly.”

- [We] “made the very difficult decision to discharge 18 of our VA patients after endless talks with UHC, the VA and OPTUM. We were unable to come to an agreement or get an answer in regards to payment. We had never switched to TriWest – the VA agreed to keep paying us directly so we did not lose money there. We did see patients into the time were supposed to

bill Optum. I am not sure that we have received anything from them yet. We were all heartbroken for the patients who were picked up by an agency that many were not happy with.”

No business can carry receivables for an extended period of time. Home Care companies in particular do not have the capital to manage unpaid bills for services as they are not “brick and mortar” institutions. Instead, they operate on human capital with payroll due every week. NAHC recommends that the VA establish a clean claim payment deadline. Failure to meet the deadline should require the payment of interest on the amount owing equivalent to the interest level federal debtors pay under the Federal Claims Collection Act.

## **Rate Cuts**

Once a provider completes the myriad of pathways to provider enrollment, its challenge turns to care authorization. From there, the adventure shifts to payment delays. When payment finally arrives, it is not a pleasant surprise. Here are recent experiences:

- TV News Story in Vermont and New Hampshire – Rates cut in half. That led to discharge notices being sent to veterans the providers were caring for.  
<https://www.wcax.com/content/news/Last-minute-deal-saves-home-care-services-for-veterans-in-Vt-NH-566788631.html>
- “I received a call from VA stating that there was an oversight on the rates that were released by the central office. I was told yesterday that they have updated the rates and will be released to us shortly. The new rates for S5130 are \$27.12/hour, however, no change in G0156 at this time. This updated rate agreement is for all community care providers is my understanding.”
- “After our Board Meeting last Thursday, I came back to the Office and checked the VA Optum rates and none of them covers our costs. So I contacted the VA, VA Optum, Joanie Ernst, Chuck Grassley and Abby Finkenour. I let them know that no Home Health Agency will be able to treat veterans who have the unbundled VA Optum and we will have to discharge all of them.

I got a response from both the VA and VA Optum and they said they need to set up a meeting with each other to discuss this . . . not sure when this will happen.

I also got a response today from Joanie Ernst and Abby Finkenauer's Office and I gave them specifics. Here is an example:



- VA Optum pays 6.88 per unit for a bath aide. Our Aides typically spend 30 minutes for a bath; therefore VA Optum would pay us 13.76 per visit. We pay our Home Health Aides \$18/visit.
- VA Optum pays 29.92 per unit for Physical Therapy. Our PT's typically spend 30 minutes for treatment; therefore VA Optum would pay us 59.84 per visit. We pay our contract therapy company \$92/visit.”

One message puts it all together well. It comes from Diana Taylor of Freedom Home Health Care in Iowa.

We need help from NAHC. We received this information last week that our rates are being drastically cut and also in 15 min increments. And get this it went retroactively to November 1, 2019 claims. This hit my company hard, there is talk of a proposed increase but we need some advocacy to keep rates the same til they get something figured out. I will need to begin lay offs the end of this week. This is way worse than any PDGM issue for us, this was a surprise.

Below is a copy of a letter I sent out to Legislators.

Allow me to introduce myself, I am Diana Taylor owner of Freedom Home Health Care. In the event you are not aware the Home Based Community Care program has not been able to meet the needs of its Veterans in the Des Moines Metro and surrounding area. For the past 10 years, Freedom Home Health Care has been a contracted provider of nursing, home health aide, homemaker, and respite. In fact, the VA Home Based Community Care does not even employ persons to provide Home Health Aide, Homemaker, or Respite. We are the VA's most utilized sub contracted home care service. In fact, I have been proud to say that 60% of the clients we serve are Veterans. We have proudly stood by the VA through the transition of VA Choice, then TriWest, and now Optum. Not one Veteran has gone unserved or underserved during this transition despite the fact that this billing mess means I have not been paid on claims for services I provided in August, September, October, November, and December. The VA has been as far as \$200,000 in debt at one time to Freedom Home Health Care as we patiently wait for the VA to sift through the mess of this transition.

I was given notice yesterday, that our rates have dropped drastically without any warning. Services are paid for in 15 minute units. Our particular agency was paid, \$11.61 per unit and now the new RETROACTIVE rate is \$6.88. Yes retroactive. Waiting to be paid on claims is a huge hindrance for my company. But I just found out for all services that I provided since Nov.1, 2019 I have had drastic unforeseen cuts from my contracted rate.

As a provider, I am required to be Medicare Certified, and to hold that certification the Federal Government requires that I give Patient Rights. One of the rights is letting them know verbally and in writing the charge for services prior to providing a service and prior

to a change. Hence, I believe as a provider of a government contract I should be afforded at least the same right. I understand that other home health care agency in other parts of the state have already given notice to their clients that effective Feb. 1, 2020 they will be discharged from their services due to the new rates. I do not want to do that to our Veterans, I want to hold out to see if the pending/proposed rates go through. I do not want to let our Veterans down because they certainly have not let my country down.

However, I want there to be understanding of the effects of this reimbursement change. So consider the following:

A Veteran is incontinent of urine, and in order to shower and get dressed they need a home health aide. It takes 30- 45 minutes to give a bath but for the sake of this example, we stay a full hour. Our new surprise rate is \$27.52 per hour.

- a) Average wage of a HHA is \$17/hr
- b) McDonalds web site advertises \$10/hr
- c) Minimum wage \$7.25

\*\*\*\*\*Key Concepts: Cost for that one hour bath visit

- 1) \$17 for direct wage
- 2) Add 30% to cover employment tax FICA, FUTA, SUTA, and Work Comp = \$5.10
- 3) Average mileage between clients 10miles paid to staff at (lower than allowable IRS) 48 cents per mile = \$4.80

**SO FAR This visit costs me \$ 26.90 and I haven't even figured in the cost of administration, billing, and providing health and liability insurance.**

**I AM PAYING YOU TO TAKE CARE OF A VETERAN.**

This table represents the new "surprise rate" versus the proposed. I am asking you to consider this as an emergent need and provide immediate support to at a minimum restore previous rates till you consider the Pending.

I truly cannot sustain this business relationship with the VA without immediate intervention.

	SN	HHA/RESPITE	HMKR	PT	OT	ST
CURRENT/NEW	\$28.47	\$6.88	\$4.13	\$29.92	\$29.80	\$28.88
PROPOSED/PENDING	\$36.09	\$15.29	\$9.17	\$34.50	\$34.50	\$34.50

Rate cuts of this nature have the natural and foreseeable effect of lost access to care. NAHC has been informed that it is the VA that sets payment rates, not the contractor. We have also been informed that rates are based on Medicare rates where such exists for the type of service involved. The reality of rate setting is that it appears to occur “behind the curtain,” leaving patients and providers often in the dark. NAHC recommends that the VA (and its contractors where applicable) maintain a transparent rate setting process that is focused on real life care costs and the level of payment needed to ensure uninterrupted access to care.

### **Conclusion**

We greatly appreciate the opportunity to provide the Committee with the foregoing information. We stand ready to partner with the VA and its contractors to develop all necessary steps to ensure a viable home care program fully accessible to our nation’s veterans.