

SB 08-153 Home Care Agency Licensure Fee Recommendations

January 26, 2009

Submitted by Home Care Association of Colorado

The Home Care Association of Colorado is committed to enhancement and improvement of quality of care and patient safety for our clients. We supported the passage of SB 08-153 for those reasons. However, our members have always been very concerned about the cost of licensure: the actual licensure application / renewal administrative burden, frequency and fee; the inspection survey administrative burden, frequency and fee; and the overall administrative costs such as hiring new staff and educating current and new staff in order to comply with the new regulations.

This concern is heightened because to name a few 1) the economic downturn that was not anticipated in the 2008 session when this bill was passed; 2) proposed Medicaid rate cuts with possibly more cuts to come, and 3) department appears to be having difficulty in determining number and types of agencies in Colorado; whether to charge fees based on Tax ID or Medicare or Medicaid provider number; and whether to charge for each line of business (skilled medical, non-medical). These decisions will make a huge difference in what an agency will pay for licensure and these decisions need to be made in the next two months prior to Board of Health rule making on March 18.

We recommend:

1. Explore using enhanced FMAP to pay for new licensure costs.
2. Delay implementation of licensure for at least one year.
3. Three-year licensure renewal cycle - would reduce administrative burden / lower cost to both state health dept. and home care agencies (rules require prompt disclosure of any changes).
4. Three-year inspection (survey) cycle - would match CMS and accrediting bodies and would reduce administrative burden / lower cost to both state health dept. and home care agencies (complaints will prompt a survey).
5. Allow state licensure to be deemed (equal) if accredited by very stringent standards and CMS-deemed CHAP / JCAHO / ACHC / PACE - would reduce administrative burden / lower cost to both state health dept. and home care agencies. (could be pilot).
6. Extend
 - the certified agency cap on annual fee of \$1,500 from two years to four years.
 - Set the same four-year cap on Private Duty agencies.
 - Conduct cost study at end of four years.

25-27.5-104. **Minimum standards for home care agencies** - rules.

(1) (g) FEES FOR HOME CARE AGENCY LICENSURE, WHICH SHALL NOT EXCEED ONE THOUSAND FIVE HUNDRED DOLLARS PER YEAR FOR TWO YEARS FROM THE EFFECTIVE DATE OF FEES ESTABLISHED BY RULE FOR HOME CARE AGENCIES THAT ARE CERTIFIED PROVIDERS THROUGH THE FEDERAL CENTERS FOR MEDICARE AND MEDICAID SERVICES OR THE COLORADO DEPARTMENT OF HEALTH CARE POLICY AND FINANCING.

7. Rules should include provision for Pay for Performance (or incentive) - have agencies pre-pay expense of validated complaints and intermediate restrictions; gather data in the first 3 year cycle; charge the expense to those agencies that had validated complaints and / or IR, while giving credit to those agencies that did not access these services (additional surveys, etc); maintain pool of funds for unsubstantiated complaints that agencies have on occasion by no fault of their own.

8. Phase in licensure for certified agencies based on CMS survey schedule.

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