

## HOME CARE PRIORITY: RURAL HOME HEALTH

- ◆ Until January 2007, Medicare rural home care providers received a 5 percent add-on to their reimbursement rates to offset the additional costs of caring for individuals in rural settings. The add-on was not renewed for that budget cycle.
- ◆ Higher costs incurred by rural home care providers include:
  - ◇ high fuel costs incurred by driving long distances between patients, and
  - ◇ higher labor costs due to competition for staff, since local hospitals are able gain higher reimbursement rates by geographic reclassification based on the area served, and
  - ◇ higher labor costs due to time spent traveling between patients, resulting in fewer daily visits per staff, and
  - ◇ Unreimbursed costs of particularly useful tools for rural providers, such as telehealth.
- ◆ Since the loss of the 5 percent rural add-on, home health services in rural areas have constricted as many agencies have been forced to close rural branches, or limit their service areas. Anecdotal reports indicate that some agencies must turn away high-acuity, high-cost patients in order to stay financially afloat.
- ◆ As the nation's population continues to shift towards metropolitan centers, the elderly and frail in rural settings are increasingly isolated. For some rural areas, home health agencies are the primary caregivers for homebound individuals.
- ◆ As fuel prices continue to rise and the nursing shortage continues unalleviated, the strain on rural health providers will only worsen, forcing providers to further cut services to already underserved areas.
- ◆ **OHPCAN Asks You**
  - ◇ To support rural health by reinstating the 5 percent add-on for home health agencies serving rural areas,
  - ◇ To support reimbursement for innovative technologies such as telehealth services that are not only highly efficient, but create a bridge to otherwise isolated individuals, and
  - ◇ To level the playing field by allowing home care agencies the same payment methodology as hospitals, whether or not that methodology includes geographic reclassification.