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Connection

Navigating
Through the

Fog of Health Care Reform

HCA



Navigating Through the Fog of Health Care Reform

The hottest topic on the minds of home care and hospice owners and administrators right now is health care reform, and how this new law will affect their businesses. Stephen Tweed, CEO of Leading Home Care, offers some clarity on the Patient Protection and Affordable Care Act.

By Stephen Tweed, CSP

It was a spectacular Sunday afternoon in October as we sailed past the Marblehead lighthouse on the great north coast of the United States. We were on Lake Erie, sailing from South Bass Island and the little village of Put-in-Bay back to Bay Point Yacht Harbor in Marble Head, Ohio.

As we sailed past the lighthouse, we noticed a huge fog bank approaching us from behind and before we reached the entrance to the harbor, we were totally engulfed in fog. We could see nothing but light gray mist and hear nothing but the lap of waves against the hull of the boat.

Have you ever been lost in the fog? What happens to you? I've been lost in the fog like this twice in my life. The same thing happens each time; my pulse increases, my senses are heightened and I begin to feel a sense of panic. I want to go faster even though I can't see where I'm going. I stop trusting the instruments—in this case the compass,

the depth finder, and the navigation chart.

It seems that there are some leaders in home health care and hospice who are feeling that same sense of being lost in the fog with the advent of health care reform. On March 23, 2010, President Obama signed the *Patient Protection and Affordable Care Act* into law. Some provisions took effect almost immediately but most provisions will be implemented over the next three years, with many sections taking effect in 2014.

Lost in the fog

Right now, many of us are lost in the fog. This new law is huge and complex. It is divided into 10 Titles, and there are 462 individual sections of the law. In order to fully comprehend what's in the law, you also need to take into account the *Health Care and Education Reconciliation Act of 2010* that was signed into law by the President on March 30, 2010, as well as provisions of the *Social Security Act*, the *Employee Retirement Income Security Act (ERISA)* and the *Internal Revenue Code*.

After reading many sections of the law and spending much time reading interpretations of those sections that affect home care & hospice, I'm convinced that there is probably no one individual who has read and fully understands every facet of every provision of this complex legislation.

So what is a home care or hospice executive to do when you are lost in the fog of complexity?

Breaking it down into manageable pieces

To help our readers and workshop participants navigate through the fog of health care reform, we've studied the law and its implications. We're in the process of preparing an industry survey to find out what leaders are most concerned about. We've broken the law down into some manageable pieces.

There are five major elements that will affect you as a leader in home health care, hospice, or private duty home care:

1. **Universal coverage** – There are a number of sections of Title I of the

Patient Protection and Affordable Care Act that require individuals to purchase health care insurance, that require employers to make insurance available and that change the rules for health insurers. The concept is that if everyone has health insurance, it will be less expensive to provide health care for everyone.

2. Reimbursement There are a number of provisions that change reimbursement under Medicare and

Medicaid for hospitals, physicians, skilled nursing facilities, home health and hospice. Much of the cost of health care reform will be paid out of proposed savings to Medicare, so reimbursement will go down for most providers of care.

3. Regulation There are dozens of provisions in the law that say, "... the Secretary of HHS must ..." Each of these required regulations will create a new bureaucracy to write and enforce regulations.

4. Innovation The law creates the Center for Medicare and Medicaid Innovation, and established numerous demonstration projects to test new methods of delivery, new methods of reimbursement and new approaches to care for the elderly and disabled. There is a whole new focus on chronic disease and on wellness and prevention.

5. Economic impact There are numerous new economic provisions including new taxes, new annual fees and changes to the current tax code. It is pretty clear that these new taxes and fees will have an economic impact on home care and hospice by increasing the cost of what we buy, from health insurance to prescription drugs to medical devices. There's even a new tax on indoor tanning salons.

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Lighting the way

As the captain of your home care or hospice ship, you need to light the way through the fog for the other members of your leadership team and for all of your agency employees, patients and referral sources. They need to feel the confidence that you understand this situation and that you have the confidence to lead them forward even when the future course is uncertain. Here are five things you can do to navigate your agency through the fog of health care reform:

- 1. Anchor your agency on solid ground** Make sure that your organization is built on a solid foundation of mission, vision and values. Make sure that you are focused on taking care of patients, taking care of your employees and being a solid citizen in your community and running a financially strong business.
- 2. Watch the weather forecasts** While no one really knows what will happen with health care reform because it is both a legal issue and a political issue, there will be clues coming out on a regular basis. As the captain of your ship, you need to be paying attention to the factors that will affect the implementation of this new law. While the TV weather man isn't always right, he does give us some indications of what's coming.

Read. Attend conferences, webinars and tele-seminars. Be involved in your state and national home care association. Gather as much information as you can about the implementation of the law and have this be a regular topic of discussion in your senior management meetings.

- 3. Focus your beacon** Like a light house, you can penetrate the fog by focusing. In this case, it means focusing on your core business of home care and hospice and making sure that you continue to build on your clinical expertise and operational efficiency. The agencies that do the best with these new changes will be those that get high quality outcomes for patients and referral sources in a very efficient manner.
- 4. Shine your light brightly** The other factor in assuring survival and success is to build your market share. That means shining your light and letting your patients, families and referral sources know what makes your agency different. Those agencies that survive and prosper will be those that have significant market share and are in demand by patients and referral sources.

There will always be a demand for home health care, hospice and private duty home care. However, there may not be a need for as many different companies as we have today. There may be some fall out as the economics change and as regulations make the business more complex. Those agencies that are the strongest financially and competitively will be the long term winners.

Develop a focused business strategy and sales and marketing plans to bring in more referrals that turn into admissions. Having relationships with referral sources that know and trust you will bring a steady stream of new patients during the times of change and challenge.

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- 5. Be a port in the storm** When you have done the first four steps effectively, you will be in a position to help others weather the storm of health care reform. Many folks will be battered by the changes. If you are strong and if you can offer support and encouragement, you'll be a valuable resource in your community. However, if your agency is battered by the changes, you'll be struggling for your own survival and will not be a resource for your patients, employees and referral sources.

Overcoming fear of the unknown

We all have some level of fear of the unknown. With a huge, complex body of unknowns like these health care reform laws, it's natural to have some fear. My wife, Elizabeth Jeffries, RN, is a professional speaker, author and executive coach. She describes "courage" as feeling the fear and moving forward anyway. As leaders in home care and hospice organizations, we need to have courage, accept some level of fear of the unknown, stay focused and move forward. Gather information, stay informed, educate your leadership team and develop strategies to strengthen your agency.

Home care and hospice is a resilient industry. We've been through economic and regulatory storms before and we'll get through this one. It just means paying attention, developing clear strategies, and taking action. **HC**

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STEPHEN WILL BE PROVIDING A FULL-DAY WORKSHOP FOR HCAF ON DECEMBER 10TH IN ORLANDO TITLED, "ACADEMY FOR PRIVATE DUTY". SEE WWW.HOMECAREFLA.ORG/CALENDAR FOR DETAILS.

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