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PRESS RELEASE

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DID YOUR HOME HEALTH AGENCY MEDICARE COST REPORT CONTRIBUTE TO THE LAST AND NEXT ROUND OF PPS REFORM?

AN INDUSTRY CALL TO ACTION

WASHINGTON, DC-July 2, 2009 - National Association for Home Care and Hospice (NAHC) and the Home Care and Hospice Financial Managers Association (HHFMA) announce a national industry awareness campaign on the Home Health Agency (HHA) Medicare Cost Report.

MedPAC recommendations affecting future payment decisions for all home health are being made based on erroneous Medicare cost report data being submitted by more than 20% of home health agencies across the country. Reports by the Center for Medicare and Medicaid Services (CMS) and NAHC reveal that nearly one of every four cost reports cannot be used for the purpose of collecting or evaluating data for the home health prospective payment system (PPS). Congress places great reliance on MedPAC in determining a course of action for Medicare provider payment rates. MedPAC has recommended that payment rates be rebased using cost report data.

This is a critical issue for our industry as the cost report is the *only* source of cost, charge, profit, and visit information that government agencies have available for the home health industry.

NAHC and HHFMA have launched a campaign to coordinate with industry associations, trade press, and consulting professionals who prepare cost reports to inform them of the critical importance of proper cost report preparation. The campaign intends to provide educational resources to interested parties and eventually develop a code of conduct for preparers of cost reports.

HHFMA has established a task force consisting of providers, software vendors and nationally known consultants to identify areas in the cost reporting process that need improvement and to recommend changes that will help the industry in preparing accurate cost reports. The task force will also develop education courses on cost reporting that will be available nationally to providers and other interested parties. With the new Administration and Congress focusing on healthcare, it is imperative that we as an industry, report accurate data for use in the decision making process.

The cost report not only influences payment rates, it can be a source of valuable industry benchmarking data when properly prepared. The cost report provides information on:

- Direct Cost Per Visit by Discipline
- Indirect Cost Per Visit by Discipline
- Total Cost Per Visit by Discipline
- Average Cost Per Episode
- Profit and / or Loss by Type of Episode
- Average Visits Per Episode
- And more.....

WHAT TO DO TODAY

1. Send this document to the person who prepares your cost report
2. Review your cost report data and take responsibility for its content
3. Contact NAHC (202-547-7424) or HHFMA for additional information.
www.nahc.org
4. Contact your state association and ask them to endorse the campaign and include this information in their publications
5. Review the Provider Reimbursement Manual (PRM 15-1) and Medicare Cost Report Instructions (PRM 15-2) provided by CMS
6. If your fiscal year end is December 31, 2009, you have a cost report due to be filed by the end of May 2010. Work on a proper and correct filing now and avoid the "need" to submit incomplete or incorrect information at the last minute.

Every Medicare certified provider must file a cost report. Every filing of a cost report requires the signature of an HHA official certifying that the report is prepared in accordance with the law and the signer is responsible for its contents. It is the responsibility of that person to insure that the filing is 100% accurate and in compliance with all Federal Laws and Regulations.

If you require additional information about this press release, please contact Bill Dombi, Director, HHFMA at wad@nahc.org. Bill Simone, Jr, Chairman, HHFMA at wsimionejr@simione.com or Tom Boyd, Chairman of Medicare Cost Report Task Force at tboyd@boydandnicholas.com

About Home Care and Hospice Financial Managers Association (HHFMA) - HHFMA is a professional organization within the National Association for Home Care & Hospice that brings together individuals who work for consulting, planning, management, financial or CPA firms along with the Chief Financial Officers, Chief Operating Officers and Chief Executive Officers who are employed by the nation's 33,000 home care agencies and hospices.

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