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October 17, 2011

The Honorable Patty Murray
Co-Chair, Joint Select Committee on Deficit Reduction

The Honorable Jeb Hensarling
Co-Chair, Joint Select Committee on Deficit Reduction

The Honorable Max Baucus
The Honorable Xavier Becerra
The Honorable Dave Camp
The Honorable James E. Clyburn
The Honorable John Kerry
The Honorable Jon Kyl
The Honorable Rob Portman
The Honorable Pat Toomey
The Honorable Fred Upton
The Honorable Chris Van Hollen

Members, Joint Select Committee on Deficit Reduction

Dear Co-Chairs and Members:

I am writing you in my capacity as Chairman of the Private Duty Home Care Association of America. We represent over 20,000 home care agencies that operate as small businesses helping to meet the needs of individuals who need help to remain independent in their own homes.

Most of the clients we serve need help with personal care. We assist them to get out of bed, to take a bath, to get dressed, with toileting, feeding themselves and ensuring that they take their medications on time as prescribed by their physicians.

Sometimes they hire us to pay the bills, to take them to the doctor's office or run other errands, to connect them with an attorney – for example to draw up a will, to find someone to help with minor home repairs, perhaps to convert their home so that it can accommodate a wheelchair. Sometimes we are hired to look after them or to take care of their homes or pets when they are out of town.

We represent the fastest growing part of the home health industry. People pay us out of their own funds and we provide whatever services that they feel are necessary to maintain their freedom and independence.

A very small number in our group choose to be licensed by the State to provide medical care under the direction of physicians. We do not receive any Medicare funds and very little from Medicaid. While we do not receive much in Federal funds, we did want to offer you our thoughts for reducing the budget deficit and getting America back on track. Our advice to you would be as follows:

- 1) We cannot cut our way to prosperity. This involves increasing our productivity and bolstering confidence on the part of both consumers and business;
- 2) The key to our dilemma involves making jobs available that would allow Americans to once again have full confidence in the future. In this connection, innovation and technology and health care—particularly home health care—should play an important job.
- 3) Demography is destiny. The graying of the Baby Boom generation presents both enormous opportunity for creating new jobs and great challenges. In this connection, I am enclosing an article by Ken Dychtwald, author of “The Age Wage” and other books, that compellingly makes the case of how the Baby Boomer will transform every aspect of society and what America should do to make the most of this gift of another third of life.
- 4) In health care, the committee should focus on the five percent of Americans who are responsible for almost 50% of health care expenditures. A critical focus is needed on this small group of people with the goal of keeping them at home and out of hospitals.
- 5) The last point will only be possible if we break down the current silos and insist that physicians and hospitals work together with home health agencies and hospices.
- 6) The enclosed chart, prepared by the Bureau of Labor Statistics, shows that four out of the five most needed jobs over the next 10 years will be in home health care. This trend is expected to continue for another 15 years beyond that.
- 7) The Small Business Administration should be encouraged to provide loans to help create private pay home care agencies in parts of America where there is an acute shortage, i.e., in rural and underserved areas, and those populated by minority groups.
- 8) Tax breaks should be provided for family members who pay the costs of long-term care for their parents. At the present time, these expenditures can be deducted only when an adult child can claim their parent as a dependent on their income tax. This is a great alternative to pushing the sick elderly onto Medicaid roles.
- 9) Existing government agencies should train personnel for the jobs that will be needed most. They should help create a career ladder that would allow a person who works as a nursing or home health aide with additional experience and education to become an LPN, then an RN and finally a Nurse Practitioner.

10) The Committee should do everything possible to promote social mobility, which is the central pillar of the American dream.

11) Physicians should be protected from cuts in their Medicare fees and at the same time Nurse Practitioners should be authorized to certify patients for care under Medicare and Medicaid.

12) We should not pay for services which are not earned. Individuals who work as home health aides or nursing assistants should have the benefit of having their employers pay into Social Security and other taxes on their behalf. Where appropriate, overtime should be paid. However, this should not extend the situation, extend to what is called "companionship" where a person is hired to accompany or to watch dependent seniors and call someone else if a problem develops.

13) The Committee should recommend telecare be employed in order to reduce the cost of health care, improve its quality, provide disabled seniors with an opportunity to monitor their own care, allow family members also to supervise their care at a distance, provide feedback 24/7 to home care agencies and, where appropriate, medical professionals. Create a comprehensive electronic medical record and provide government with digital proof of what services were provided in the home setting and by whom.

14) The Committee should recommend reinstatement of the CLASS Act or some new alternative that would help infirm and disabled persons prepare for their long-term care needs.

15) The Committee should recommend that private insurance companies create a product which major medical plans do not presently provide which is assistance with chronic disease. It is our belief that many of the problems with our health care system stem from the fact that we have a system designed to provide help with acute care while what we need at the present time is help with the management of chronic diseases.

16) Finally, the Committee should take judicial notice of the fact that the original Medicare home care program that passed in 1965 contained a copayment requirement. This provision was repealed by Congress because it cost more to collect than it saved the government program. It also produced unintended and increased costs by channeling people into more expensive levels of care including hospitals and nursing homes and became an unfunded mandate when seniors who could not afford the cost of the copays either went without care until they wound up in a hospital emergency room or presented themselves to State Medicaid programs. What appears to be reasonable is just the opposite. We would urge the Committee to refrain from repeating the mistakes of the past.

In summary, although we do not have much at stake directly in that for the most part we do not receive Medicare and Medicaid funds, we do have a common interest as Americans seeing our country on the right track and a concerted effort to increase private insurance and LTC insurance markets would not only help the deficit, but would also help the private pay home care market in the future. This means our having physical discipline reducing the budget deficit but putting far more emphasis on creating jobs and growing the economy. In doing all of this, we should pay close attention to what jobs are needed most then ask how these could be created using the free enterprise system at a minimum cost to the Federal government. We clearly believe that home care provides the answer and that a compelling case can be made that we need more of it rather than less of it.

We wish you all the best in your important endeavor.

With best wishes,

Shelle Womble

Shelle Womble
Chairman