



Arkansas Department of Health

4815 West Markham Street • Little Rock, Arkansas 72205-3867 • Telephone (501) 661-2000
 Governor Mike Beebe
 Nathaniel Smith, MD, MPH, Director and State Health Officer

This report was prepared and submitted pursuant to
 Section 28 of Act 1375 of 2013

- (1) Revenues, expenditures, and year end fund balances of the Home Health Program, as related to the Department of Health's ability to fund an increased mileage reimbursement rate for the 2015 Fiscal Year.

IN HOME SERVICES FY13		
Cash Basis - Revenues/Expenditures & Fund Balances		
Beginning Fund Balances	\$ 1,525,964.71	
Total Revenue	\$ 66,420,252.25	
Total Expenditures	\$ (66,537,914.33)	Includes \$ 791,817.16 Medicaid Match
YTD Net Income (Loss)	\$ (117,662.08)	
Fund Balances 6/30/13	\$ 1,408,302.63	

IN HOME SERVICES FY14		
Cash Basis - YTD Revenues/Expenditures & Fund Balances		
Beginning Fund Balances	\$ 1,408,302.63	
Total Revenue	\$ 32,394,156.57	
Total Expenditures	\$ (32,198,604.23)	Includes \$ 280,600.00 Medicaid Match
YTD Net Income (Loss)	\$ 195,552.34	
Fund Balances 12/31/13	\$ 1,603,854.97	

(2) A report of all third party reimbursements received for the Home Health Program listed by program type including Medicaid, Medicare, Private Insurance, and Affordable Care Act - Insurance Exchange participants.

FY13

Program/Service	Medicaid	Medicare	Private Insurance	Self Pay	Total Reimbursement
Personal Care & Elderchoices	\$ 32,059,108		\$ 787,227	\$ 217,486	\$ 33,063,821
Home Health	\$ 8,533,581	\$ 11,669,909	\$ 3,356,168	\$ 70,094	\$ 23,629,752
Hospice	\$ 1,212,964	\$ 5,464,512	\$ 241,501		\$ 6,918,977
Maternal and Infant Home Visiting	\$ 2,674,424				\$ 2,674,424
Community Based Case Management	\$ 133,278				\$ 133,278
Totals	\$ 44,613,355	\$ 17,134,421	\$ 4,384,896	\$ 287,580	\$ 66,420,252

FY14 through December 31, 2013

Program/Service	Medicaid	Medicare	Private Insurance	Self Pay	Total Reimbursement
Personal Care & Elderchoices	\$ 15,292,949		\$ 425,432	\$ 107,591	\$ 15,825,972
Home Health	\$ 4,104,909	\$ 5,907,630	\$ 1,904,812	\$ 12,761	\$ 11,930,113
Hospice	\$ 416,500	\$ 2,520,152	\$ 58,821	\$ 348	\$ 2,995,821
Maternal and Infant Home Visiting	\$ 1,503,186				\$ 1,503,186
Community Based Case Management	\$ 139,066				\$ 139,066
Totals	\$ 21,456,610	\$ 8,427,782	\$ 2,389,065	\$ 120,701	\$ 32,394,157

(3) The potential impact of changes in the Arkansas Medicaid Program, Medicare or Affordable Care Act reimbursement rates and the effect those program changes may have on a potential mileage reimbursement increase for the 2015 Fiscal Year.

Medicaid Payment Reform

Arkansas Department of Human Services (“DHS”) is currently in the process of working directly with outside consultants and a long term care provider workgroup to develop an improved Medicaid system in the area of long term care services – specifically home and community based services. Arkansas Department of Health In-Home Services (“IHS”) has been and continues to be a vital piece of the provider workgroup assisting DHS in this process. It would be premature to attempt to estimate the financial impact from changes that may be implemented in the future.

Medicare Reimbursement Cuts/Affordable Care Act

In 2008, the Centers for Medicare and Medicaid (“CMS”) began making cuts to reimbursements in Medicare Home Health and Hospice programs. In addition to cuts in reimbursement, CMS implemented a series of administrative requirements that have increased costs. Home Health and Hospice services also suffered cutbacks due to the sequester legislation passed by Congress. In January 2013, Home Health and Hospice received an automatic 2% cut and an additional 2% cut in January 2014. Since 2008, Home Health and Hospice programs have cumulatively received approximately a 20% reduction in reimbursement for Medicare services. As a result, ADH continues to take steps to make service delivery as efficient as possible. Staffing standards are monitored very closely and adjustments are made as needed. Labor, travel and medical supplies are the large expenditures for both Home Health and Hospice.

(4) A report of the amounts billed versus the total reimbursements for services rendered.

The program collected \$ 66,420,252 in FY13 and provided the following services without reimbursement.

FY13

Program/Service	No Source
Personal Care & Elderchoices	\$ 124,560
Home Health	\$ 1,636,087
Hospice	\$ 132,621
Maternal and Infant Home Visiting	\$ 153,150
Total	\$ 2,046,418

(5) Total miles claimed by Patient Care Providers and the total amounts reimbursed for mileage.

Summary of Mileage Reimbursement - FY13	
Full-Time Nursing Staff	
Total Miles Claimed	3,940,427.38
Reimbursement Rate/Mile	\$ 0.42
Travel Reimbursement Paid out	\$ 1,654,979.50
Contract Aides	
Total Miles Claimed	9,426,701.54
Reimbursement Rate/Mile*	\$ 0.33
Travel Reimbursement Paid out	\$ 3,110,811.51
Total Travel Reimbursement Paid out	\$ 4,765,791.01

* The reimbursement rate for FY14 is \$ 0.36 and is scheduled to increase to \$ 0.39 on July 1, 2014.

Approximately there will be approximately a \$283,000 for every 3 cent increase for contract aide mileage reimbursement. With another 3 cent increase that is scheduled to take effect on July 1, 2014, contract aide mileage reimbursement for FY2015 will be approximately \$3,680,000.