

Home Health

BUSINESS REPORT

A WEEKLY
REPORT ON
NEWS, TRENDS
& STRATEGIES
FOR THE HOME
HEALTHCARE
EXECUTIVE

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HCFA says announcement on the OASIS data is imminent

By MATTHEW HAY

HHBR Washington Correspondent

WASHINGTON – The **Health Care Financing Administration** (HCFA; Baltimore) continued to send mixed signals last week over whether or not home health agencies are currently required to collect and encode Outcome and Assessment Information Set (OASIS) data for Medicare and/or non-Medicare patients. But late in the day on Friday, a senior HCFA official signaled that HCFA will not enforce OASIS collection requirements until it meets further regulatory requirements.

When asked by *HHBR* whether home health agencies should or should not collect OASIS data, the official from HCFA's **Center for Medicaid and State Operations** had this to say: "We are working on something on that right now that should be posted in our Web site in the next day or two." Then, the official added: "Look at the last paragraph of our statements about enforcement."

The paragraph the official was referring to instructs

state and regional offices "not to cite noncompliance with OASIS requirements at this time." HCFA had added that paragraph to its April 7 statement (which announced the delay in the April 26 date for transmission of OASIS data) before sending it to state and regional offices earlier this month.

That statement appeared to be tacit recognition on the part of HCFA that it can not enforce OASIS requirements until it publishes a system of records regulation as required by the Privacy Act and obtains clearance from the **Office of Management and Budget** (OMB) as required under the Paperwork Reduction Act.

One home care publication spent much of the week last week attempting to discredit reports by the **National Association for Home Care** (NAHC; Washington) that HCFA had suspended all OASIS requirements. "All regulations requiring OASIS data collection, encoding, and transmission are suspended for all

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OASIS delay could affect the prospective payment system

By MATTHEW HAY

HHBR Washington Correspondent

WASHINGTON – With the possibility of delays in OASIS looming, many are asking how this might affect the development and implementation of Medicare's prospective payment system (PPS) for home health.

"Right now, we have already computed rates based on the data set and the OASIS data from the research agencies, and we think those data are reliable enough to certainly support a proposed rule," a senior **Health Care Financing Administration** (HCFA; Baltimore) official told *HHBR* last week.

According to the official, the real question is whether or not data collected on a sample basis will be "sufficiently complete" to make up a final rule. "That is really a matter of judgment in which all sorts of factors come into play as

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Apria showing signs of a stronger financial standing

By MEREDITH BONNER

HHBR Editor

Showing signs of improved financial standing, **Apria Healthcare Group** (Costa Mesa, CA), a company that reported its first profit in more than a year only a few weeks ago, said last week it will withdraw its request for a \$50 million rights offering and instead will use available cash to pay down debt.

The additional cash will be available for Apria through an amended credit facility, which its bank group approved last week. The new facility prevents Apria from having to raise the \$50 million and allows it to use available cash to make a \$50 million prepayment to reduce bank debt.

In addition, Apria officials said, the amendment still allows the company to complete \$62 million of acquisitions in 1999.

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Grassley says major Medicare reform is unlikely this year

By **MATTHEW HAY**

HHBR Washington Correspondent

WASHINGTON – Don't count on major Medicare reforms this year. But don't rule out incremental measures that roll back parts of the Balanced Budget Act of 1997 (BBA). That was the message Sen. Charles Grassley (R-IA) had for those who attended the **Health Industry Distributors'** (HIDA; Alexandria, VA) Washington Conference on April 20.

Grassley, who heads up the Senate Special Committee on Aging, predicted meaningful reform will be caught up in presidential politics and that neither party will have the votes to get around the "stalling tactics" that will take place in the Senate this year. "For that matter, I don't even know if it will get through the House," he said. "I don't think there is any doubt in anyone's mind that this program needs help and the sooner the better, but I guess that sooner now is more apt to be the Year 2001 than the Year 1999."

But Grassley said this does not preclude legislation that addresses some of the disruptions caused by the BBA. "Considering some of the changes that were made," said Grassley, "I think there is enough pressure on to make sure that some refinement of the BBA can take place this year."

Grassley said HCFA "really screwed up" development of the interim payment system (IPS) by not differentiating between high-cost states and low-cost states. But he urged the home care industry to focus on the prospective payment system (PPS) as a remedy.

Grassley also noted the failure of the **Bipartisan Commission on the Future of Medicare** to pass a formal recommendation earlier this year because of the supermajority requirement that demanded the support of 11 of the 17 commission members. Even though it didn't pass a formal recommendation by that margin, Grassley said the commission has given Congress "a very good basis" for legislation that will offer "long-term solutions" to the problems confronting Medicare.

Unfortunately for the home care industry, one of the

commission's provisions that was supported by House Ways and Means Health Subcommittee Chairman Bill Thomas (R-CA) and Sen. John Breaux (D-LA), who co-chaired the commission, is a 10% co-payment for home health services.

Grassley added that the Senate Finance Committee will begin hearings on the commission's recommendations shortly and predicted these hearings will help shape the debate. He also noted that Congress passed its budget on time earlier this month which clears the way for authorizing committees to begin putting the budget into legislation for the president to sign. ■

Apria

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Apria has now requested that the **Securities and Exchange Commission** (SEC; Washington) withdraw its registration statement for the rights offering, and it will not proceed with any additional financing at this time.

Amidst the positive outlook for Apria's financials, **Relational Investors**, the investor group led by Apria Chairman Ralph Whitworth and Apria's largest shareholder, is boosting its stake in the company to 11 million shares, or 21.2% of outstanding shares. Relational Investors bought 501,400 shares on April 5 and 6 at \$11.85-\$11.99 per share, increasing their holdings to 7.8 million shares, or 14.9%. And the group is now increasing its hold on Apria to 14.9% by purchasing 3.2 million shares from another investment group, which includes **Richard Blum & Associates**.

The Blum group has reduced its stake in Apria to 6.2%. In a filing last week with the SEC, the group said it sold 2.2 million common shares of Apria between April 1 and April 16 at prices ranging from \$11.97 to \$13.54 per share.

Apria recorded its first profit in more than a year earlier this month when it reported its earnings for 4Q98 ended Dec. 31. The company earned \$2.3 million, 4 cents per share, in 4Q98. But Apria reported a loss for FY98 of \$207.9 million, \$4.02 per share, and said later in April that it expects to see a drop of \$11 million in revenues and operating income in FY99 because of the 5% Medicare reimbursement cut for home oxygen therapy. ■

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COMPANIES IN THE NEWS

Allied gets new web site

Allied Healthcare Products (St. Louis) last week launched a new version of its Web site, which has been completely reconfigured. The company says the site was changed to better meet the needs of its customers. The Web site, located at www.alliedhpi.com, provides information about all of Allied's products; its sales, customer service, and technical support contacts, and its corporate background.

American Home Products' IQ99 sales drop

American Home Products (Madison, NJ) saw a decrease of 1% in its net sales for IQ99, ended March 31, after adjusting for the sale of the **Sherwood-Davis & Geck** medical devices business, which the company sold in February. Excluding the gain on the sale of Sherwood-Davis of \$330.8 million, net income in IQ99 was \$654.9 million, 49 cents per share, compared to a net income of \$651.4 million, 49 cents per share, in IQ98. The company's IQ99 sales dropped 1% from IQ98 to \$3.4 billion, excluding the company's previously owned medical devices business.

Beverly sees declines in IQ99

Beverly Enterprises (Fort Smith, AR) saw IQ99 ended March 31 revenues of \$635 million, down slightly from IQ98 revenues of \$697.4 million. The company recorded a IQ99 net income of \$5.9 million, 6 cents per share, compared to a net income in IQ98 of \$13.6 million, 17 cents per share. The declines in revenues and net earnings, the company said, are primarily the result of the federal government's Medicare prospective payment system, which affected Beverly's skilled nursing operations.

Chemed's Patient Care sees IQ99 growth

Chemed (Cincinnati) reported total revenues in IQ99 ended March 31 of \$104.1 million, an increase over IQ98 revenues of \$88.4 million. The company reported a IQ99 net income of \$5.4 million, 51 cents per share, compared to a IQ98 net income of \$6.3 million, 63 cents per share. The company's home care subsidiary, **Patient Care** (West Orange, NJ), achieved earnings growth of 5% in IQ99, said Chemed Chairman/CEO Edward Hutton. The subsidiary also saw revenues of \$30.2 million, an increase of 1.4% over IQ98 revenues.

Patient Care continues its focus on private-pay revenue opportunities and is opening important new accounts throughout its service market in the areas of assisted living, private individuals, and properly funded insurance programs. In addition, Patient Care has further expanded its service market with the recent acquisition of **Georgia Nursing Services**.

Coram's Resource Network moves

Coram's (Denver) **Resource Network** subsidiary has relocated its regional call center, which is designed to coordinate a national network of management services for the provision of integrated home care, to Whippany, NJ.

Flagship buys home care branches from Shands

Flagship Healthcare (Miami Lakes, FL) and **Shands HealthCare** have signed a definitive agreement for Flagship to acquire 10 Shands HomeCare branches. The planned acquisition reflects Flagship's goal to offer statewide home infusion and home nursing services and Shands' effort to restructure home care operations in Gainesville and its primary market area.

The 10 branches to be acquired serve more than 1,000 patients throughout North and Central Florida, providing home infusion and home nursing services. Flagship Home Health currently treats 8,000 patients annually and conducts more than 450,000 patient visits per year. With these additions, Flagship will have a presence in every major market in Florida and will increase annual revenues by \$20 million, officials said.

With the restructuring of home care operations, Shands will close some field sites, while continuing to operate its home care business in Gainesville, FL, and the surrounding area. This will allow Shands to refocus its efforts on its fundamental core competencies of caring for patients in its regional market, offering patients a full range of treatment options following discharge from its hospitals.

Our decision to reorganize locally and divest the remainder of our home care operations allows us to reinvest in programs and services that best serve our acute care mission, while providing the highest level of care for our patients, Shands officials said.

HealthCor trades under new symbol

HealthCor Holdings (Dallas) began trading under a new symbol, HCORE, effective April 20.

Heller to buy HealthCare Financial

Heller Financial (Chicago) has agreed to acquire **HealthCare Financial Partners** (Chevy Chase, MD) for \$483 million in stock and cash. HealthCare Financial specializes in making secured loans to home healthcare providers, nursing homes, and physician practices. Heller went public through an initial offering last year, but remains majority owned by **Fuji Bank** of Japan, reported *The Wall Street Journal*. Heller said it expects the transaction, which will be paid for in a format of 41% common stock and 59% in cash, to either be neutral or add modestly to earnings in FY99 and to contribute more significantly in FY2000.

HHCA's chairman/CEO resigns

Home Health Corp. of America (King of Prussia, PA) said last week, subject to bankruptcy court approval, Bruce Feldman, chairman/CEO, has entered into an agreement to

resign his positions with the company and as a director in order to pursue other business interests. The company also announced that Michael Bellenghi, CEO of **Recordex Services**, a wholly owned subsidiary of FYI. Incorporated, and an outside director of HHCA since 1995, will be named chairman, and David Geller, HHCA's CFO, will be named interim CEO and a director upon bankruptcy court approval of the agreement.

Invacare sees growth in 1Q99

Invacare (Elyria, OH) last week reported 1Q99, ended March 31, net sales of \$196.1 million, an 8.3% jump from 1Q98 sales of \$181.1 million. The company recorded a net income in 1Q99 of \$8.5 million, 28 cents per share, compared to a 1Q98 net income of \$7.5 million, 25 cents per share, an increase of 12.6%. Invacare's North American sales increased 5.3%, while European sales grew 23.1%, the company said.

Lincare reports 22% increase in 1Q99 revenues

Lincare Holdings (Clearwater, FL) reported revenues in 1Q99 ended March 31 of \$136.1 million, a 22% increase over 1Q98 revenues of \$111.9 million. The company recorded a net income in 1Q99 of \$23.5 million, 40 cents per share, compared to a 1Q98 net income of \$18.2 million, 31 cents per share.

During 1Q99, Lincare completed the acquisition of six companies with aggregate annual revenues of \$31 million. The acquired businesses were located in Alabama, Florida, Illinois, Indiana, Kentucky, Massachusetts, New Hampshire, Ohio, and Tennessee. Through acquisitions and internal growth, Lincare added 22 new operating centers in 1Q99, bringing the total number of locations to 400.

Mallinckrodt respiratory group sees 3Q99 growth

Mallinckrodt (St. Louis) reported 3Q99 ended March 31 net sales of \$675 million, up from 3Q98 sales of \$649.8 million. The company recorded a net income in 3Q99 of \$54.1 million, 75 cents per share, compared to a net income in 3Q98 of \$27.9 million, 38 cents per share.

The company's respiratory group reported sales in 3Q99 of \$302.5 million, an increase of 6% over the \$286 million reported in 3Q98. Solid sales of ventilators, pulse oximetry, and disposables contributed to the continued improvement in operating earnings, the company said.

New York Health Care revenues increase in FY98

New York Health Care (NYC; Brooklyn, NY) reported net revenues in FY98 of \$20.2 million, compared to FY97 revenues of \$13.2 million. The company recorded a net income in FY98 of \$341,152, 9 cents per share, compared to an FY97 net income of \$183,863, 5 cents per share.

NYC said most of the revenue increase was due to the acquisition of seven offices in New Jersey in December 1997, February 1998, and March 1998. Also contributing to the

increase, NYC said, were new contracts in New York state.

The company's largest contract with New York City to provide home attendant services for Medicaid patients, which began to contribute to revenues in 1Q99, and which the company expects to renew in June for an additional year, should provide annualized revenues estimated at \$11 million over a one-year contract term, assuming a full patient case load after the ramp-up period, NYC President/CEO Jerry Braun said. The contract, when fully implemented, has the potential to increase gross revenue an additional 50%.

Staff Builders' ATC reshuffles

Staff Builders (Lake Success, NY) has reshuffled its management team at its staffing division, **ATC Healthcare Services**. Staff Builders Chairman Stephen Savitsky said the board appointed Ed Teixeira executive vice president/COO of ATC. Teixeira was previously senior vice president of franchising for Staff Builders and will now be based in Atlanta. Carla Perotta, formerly COO of ATC, will be leaving the company to pursue other interests.

The company also announced the promotion of Rob Laufer to vice president-franchising for ATC.

In late March, Staff Builders announced their plan to separate its home health business from its supplemental staffing business and to create a separate, publicly traded company engaged exclusively in home care services. The spin-off would create a separate and distinct identity for the supplemental staffing business of Staff Builders, which is currently comprised of ATC and **Chelsea Computer Consultants**. In connection with the spin off, David Savitsky was appointed the new president/COO for the staffing entity.

Star Multi Care sees 3Q99 loss

Star Multi Care Services (Hicksville, NY), which discontinued operations of its Medicare division in late February because of reimbursement reductions associated with both reduced cost caps and the Interim Payment System, recorded a loss of \$655,000 in 3Q99.

For the quarter ended Feb. 26, Star Multi Care recorded a loss from continuing operations of \$104,084 and a loss from discontinued operations of \$551,457. The loss per share was 11 cents. This compares to a 3Q98 loss from continued operations of \$3.1 million and from discontinued operations of \$4.2 million. In 3Q98, the net loss per share was 79 cents.

Revenues in 3Q99 totaled \$11.5 million, compared to 3Q98 revenues of \$12.9 million.

The company had FY98 sales of \$58 million, with Medicare services accounting for 15% of its revenues in FY98. Medicaid services accounted for 46% of sales, and private insurance brought in 34% of revenues, said Star Multi Care COO Greg Turchan. ■

PPM/MSO NEWS

- **IntegraMed America** (Purchase, NY) is launching a new company that will distribute fertility medication among IntegraMed patients. **IntegraMed Pharmaceutical Services** (Carrollton, TX) is licensed to distribute products in states where IntegraMed's network of Reproductive Science Centers reside. The new company has partnered with **IVP Pharmaceutical Care** (Carrollton, TX), giving it access to proven programs such as CycleTrack, Education Matters, and CycleKit.

- **Tessa Complete Health Care** reported its results for FY98, showing a 673% increase in revenues to \$16.5 million, compared to \$2.1 million in FY97. The increase is due to the acquisition of 37 clinics and their integration into Tessa's network. Net income was \$1 million, 8 cents per share, compared to FY97 net income of \$186,200, 5 cents per share. During FY98, Tessa obtained a new \$10 million line of credit from **DynaCorp Financial Strategies**, replacing its existing \$3 million credit line. So far in 1999, the company has acquired assets of **Coral Way Wellness Center** (Miami), and it has signed a letter of intent to acquire the assets of management services agreements with Chicago occupational medical health clinics. Coral Way generated more than \$500,000 in revenues in FY98, while the Chicago clinics generated \$9 million.

- Christopher McFadden of **First Union Capital Markets Group** said in a *Business Week* report that a state investigation of Medicaid fraud by **Pediatrix Medical Group** (Fort Lauderdale, FL) has caused an "uncertain risk factor for investors." *Pediatrix* shares fell 36% on April 5 after the investigation was announced. "The stock will take care of itself," said CEO Roger Medel, who added that the company is cooperating with the investigation.

- **PhyMatrix Corp.** (West Palm Beach, FL) has launched new hospitalist services in a joint effort between **IPC-The Hospitalist Company** (Hollywood, CA) and **Phymatrix's Specialty Network Management** group in Palm Beach Gardens, FL. *Phymatrix* has assembled 75 independent medical specialists to supply hospitalist services in Dade, Broward, and Palm Beach counties, as well as the greater-Tampa area.

- **Primus Medical Care Network** (Miami) is refocusing its strategy to include more high-tech services, including medical billing and collection. *Primus* acquired the assets of **ManageMed** (Deerfield Beach, FL) so that it can perform the back-office duties for medical groups. Its new subsidiary will also recruit and train personnel, as well as provide an Internet service where doctors can buy supplies and store data. The company is also brokering discounts on medical malpractice insurance and considering offering

members company stock, profit sharing or dividends.

- **MedPartners** (Birmingham, AL) and a group of health plans have agreed with California to provide \$50 million to sustain **MedPartners Provider Network** (Long Beach, CA). With the settlement, *MedPartners* will assume control again of its California subsidiary under bankruptcy court supervision. The company will provide a \$25 million letter of credit as security for its obligations, while HMOs will provide a loan of \$25 million. *MedPartners* plans to apply money from the sale of the network to the obligations of the network, meaning payment for patient care is ensured as the company leaves the physician practice management business. ■

CORPORATE LADDER

- Liz Thomas has been named director of nursing for **Lifeline Home Health Care** (Sarasota, FL). Thomas has previously worked in home healthcare as a director of private care services and a district supervisor.

- **Kelly Services** (Troy, MI) named Dane McSpedon vice president and regional manager of the company's New York and Long Island operations. *McSpedon* has spent three years in Russia as general manager and managing director of *Kelly's* Russian subsidiary. In his new position, *McSpedon* is responsible for all of *Kelly's* operations in New York City. In addition, *Kelly* named Sandra Galac vice president and treasurer in its corporate finance department.

- **Building Blocks Pediatric Home Health Services** (Newport Beach, CA) has named Catherine Prophet president/CEO. Prophet, who previously served as vice president of clinical operations/administrator, succeeds Ron Rawson, who now operates a new division of the company.

- John Fitzgerald has been elected president/CEO, effective April 13, of **SCCI Health Services Corp.** (Dallas). Fitzgerald was formerly president/CEO of *American Radiology Services* in Maryland. ■

BRIEFLY NOTED

- The Skilled Nursing & Subacute Facility Database was recently released by the **Center for Healthcare Information** (CHI; Newport Beach, CA), and it includes information on more than 17,000 facilities. Up to 90 data elements, including location, services offered, patient statistics, types of treatments, and staffing counts, are available on each facility. The database is available on diskette and in a table format for specific metropolitan areas. ■

CALENDAR

- The **Arizona Association for Home Care** (Tempe, AZ) will hold its annual conference May 3-4 at the Embassy Suites-Phoenix North in Phoenix. For more information, call (602) 967-2624.
- **BillCom Exposition & Conference Group** (Sterling, VA) will sponsor FutureShow '99 May 10-12 at Bally's Hotel in Las Vegas. BillCom said the show will be renamed, effective in the spring of 2000, Medtrade West, and it will complement Medtrade, which is held in the fall. The show is being co-produced by the **National Association for Medical Equipment Services** (Washington). For more information, call (212) 966-0024.
- The **California Association for Health Services at Home** (Sacramento, CA) is holding its 1999 Annual Conference & Home Care Expo May 19-21. The conference will be at the Disneyland Hotel in Anaheim, CA. For more information on the conference, call (800) 622-4724.
- The **Texas Association for Home Care** (Dallas) will hold its 30th annual meeting and exhibition August 29-31 in Dallas. Dreams, Unity, and a New Beginning will be at the Hyatt Regency at ReUnion. For more information, call (800) 880-8893.
- The **National Association for Home Care's** (Washington) 18th annual meeting and home care expo will be Oct. 9-13 at the San Diego Convention Center. "Demography is Destiny; Charting the Course to Quality Care in the 21st Century" will feature more than 400 exhibitors. For more information, call (202) 547-7424. ■

REGIONAL DIGEST

- Ernie Petit of Woonsocket, RI, worries he will lose his home health benefits due to recent cuts in the federal Medicare program, reported the *Associated Press*. The new system for covering Medicare patients has reduced reimbursements in Rhode Island by \$56 million in the past year, forcing three home health agencies out of business. At a rally last week held at the **Woonsocket Senior Citizens Center**, lawmakers promised to lobby to restore some of the Medicare money. U.S. Rep. Bob Weygand (D-RI) has submitted bipartisan legislation to provide \$1 billion over four years to help provide home healthcare for some of the frailest patients. Also, bills to boost hourly pay for home health aides by a few dollars are sitting at the Statehouse.
- About 90 community health workers in southern Alberta, Canada, walked off the job last week in a wage dispute. Lori Kilbank, a spokeswoman for the **Headwaters Regional Health Authority**, said patients had been notified they wouldn't receive services, and that private work-

ers were being recruited to care for the most needy patients, reported *The Calgary Sun*. Home health workers are asking for the return of a 5% rollback of wages and benefits. No negotiations are planned.

- A Supreme Court case concerning whether states can be required to provide home-based care for disabled people has caught the attention of people in Wisconsin, reported the *Associated Press*. A Madison, WI, group, called **ADAPT**, has filed a complaint with the **Department of Health and Social Services**, accusing Wisconsin of not guaranteeing home health services for disabled people. The Georgia case, currently before the Supreme Court, involves two disabled women who sued the state for a transfer from a hospital to a publicly-funded home care setting. A federal appellate court in Atlanta ruled the Americans With Disabilities Act requires the state to provide home healthcare to them. If the Supreme Court overturns the decision, "people with disabilities will lose a big chunk of their legal right to be integrated into their communities," said Steve Verriden, of ADAPT.

- An Angier, NC, nursing assistant convicted of murdering an elderly patient is under investigation in the death of another woman under her care, reported the *News & Observer* in Raleigh. Carlette Parker, 35, worked for a private home healthcare firm, and was convicted of killing an 86-year-old woman by drowning her in a bathtub. Now, police believe she was involved in the death of a 90-year-old woman, who died in 1996. Parker had cared for the woman for several months.

- Mother and son home health aides are accused of stealing more than \$50,000 from an elderly patient, reported the *Los Angeles Times*. The 39-year-old woman and her 19-year-old son have been arraigned on second- and third-degree grand larceny charges. They were hired by an 87-year-old woman to help her while she recuperated from a broken hip injury in 1995. Prosecutors say the aides drained money from the woman's bank accounts. The woman died in September 1997. ■

OASIS

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opposed to something that can be determined analytically," said the official. Under the current PPS schedule that was included in HCFA's PPS report to Congress earlier this year, the agency would have six to nine months of data available when it has to make its final calculations very early next year, the official added.

"Each month of delay or week of delay is a week off of that total and it becomes a judgmental issue at what point is that too little to proceed with," said the official. "But that is a judgment that hasn't been taken yet and I don't know when it would be taken because decisions have to be made based on the situation we are in at the time." ■

MANAGED CARE REPORT

- **Physicians Care PPO** (Harrisburg, PA), a subsidiary of **Pennsylvania Physician Healthcare Plan**, has received approval from the **Commonwealth of Pennsylvania Department of Health** to expand its service area to include Wayne, Pike, and Susquehanna counties. These three counties are contiguous to the current 18 county PPO service area. Physicians Care has contracts with 95% of the 59 physicians practicing in Wayne County, 50% of the physicians practicing in Pike County, and 44% of the 50 physicians practicing in Susquehanna County.

- **Horizon Blue Cross Blue Shield of New Jersey's** (Newark, NJ) Horizon HMO commercial managed care plan has received full, three-year accreditation from the **National Committee for Quality Assurance**. The Horizon HMO plan services roughly 200,000 subscribers, the company said.

- **Maxicare Health Plans** (Los Angeles) Chairman, President and CEO Peter Ratican is leaving the company to pursue personal business interests, reported *Best's Insurance News*. Ratican will remain at the company until June 30. A successor has not been named yet, the company said. ■

New guidebook available

Leaping the Joint Commission's hurdles to accreditation for your home care agency can be made easier with the newest edition of *Strategies for Successful JCAHO Homecare Accreditation 1999-2000* from American Health Consultants.

This newest edition is a step-by-step guide to compliance with the Joint Commission on the Accreditation of Healthcare Organizations 1999-2000 standards. Its 573 pages provide strategies and documentation tools to help you prepare for accreditation and include dozens of forms, checklists, staff education documentation, and management tools.

Strategies for Successful JCAHO Homecare Accreditation 1999-2000 also features more than 150 pages of case studies with tips, suggestions and advice from your peers who have survived the survey, plus a list of vendors approved by the Joint Commission to measure outcomes for your agency.

With your purchase of the new accreditation guide, you can receive 25 nursing continuing education credits free. You also have the opportunity to buy unlimited additional CE programs for just \$40 each.

If you have a home care survey coming, don't wait to order this guide. Call (800) 688-2421 for more information, or send an e-mail to American Health Consultants at customerservice@ahcpub.com. ■

HCFA

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patients until the system of records regulation is published," NAHC stated April 20.

The following day, the home care publication announced that NAHC's report was "inaccurate" and based on "rumors." As evidence, it cited an un-named "senior HCFA official" as well as several OASIS coordinators. But by week's end, it appeared that NAHC's statement had been borne out by the trickle of information coming from HCFA.

In a statement on Friday, NAHC conceded that HCFA did not explicitly state that agencies are not required to comply with the OASIS requirements but said the agencies' written communications "support this conclusion."

Several home care executives contacted by *HHBR* agree and say the attack on NAHC's position misses the mark in several important respects.

First, NAHC's statement coincided with a subtle revision HCFA made to its April 7 statement. On April 7, HCFA said that despite the delay in transmitting data that home health agencies would still be expected to conduct comprehensive assessments, including OASIS data, as currently required under the new conditions of participation (emphasis added). But on April 21, HCFA modified that to read, "Home health agencies are expected to conduct comprehensive assessments, and are encouraged to use the OASIS data set (emphasis added).

Second, NAHC's April 20 statement goes on to encourage agencies to continue to collect OASIS data if they have already incorporated the OASIS data elements into their comprehensive assessment forms. The association reiterated this point on April 23 when it urged agencies to continue to collect OASIS data items and use this period to increase their proficiency.

These sources point out that in addition to its concern about compliance, NAHC was wrestling with how to advise its members from an operational standpoint. For example, if HCFA decides to eliminate the requirement that agencies collect and/or transmit OASIS data for non-Medicare patients, agencies that had collected these data would be forced to open each record and remove it.

Finally, veteran HCFA-watchers say the attack on NAHC's position ignores strong indications that HCFA is slowly backing off enforcement of its OASIS requirements. "HCFA typically make these announcements in the 11th hour," said one industry executive. "The 11th hour in this case would be April 26 so I am not surprised to hear that HCFA says it is about to make another announcement."

"This is a very fluid environment and HCFA's press office has not always been 'in synch' with its policy arm," said another industry executive. "But it sounds to me like HCFA is moving in the direction NAHC indicated. I suspect we will know who was right soon enough." ■