

...home health line's

PRIVATE DUTY INSIDER

THE ULTIMATE MARKET INTELLIGENCE FOR NON-MEDICARE HOME CARE PROVIDERS

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Dear subscriber,

Your March issue of Private Duty Insider is your pot of gold this St. Patrick's Day.

We're proud to unveil our new "Benchmark of the Month" feature, which will provide you with some of the industry's hottest and hard-to-find benchmarks in every issue. This month, learn how frequently your peers bill clients and how long it takes them, on average, to get paid. Most importantly, we provide you with proven strategies on how to speed up payment, p. 6.

And, find out about some stiff competition coming your way from Medicare-based home care agencies, p. 5. Think it's not a big deal? Read about a NAHC conference that drew 200 attendees.

Finally, marketing genius Neil Rotter shares how to create name recognition today aimed at generating future Baby Boom referrals, p. 9.

Enjoy,

Maria Tsigas, editor
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Private duty giant Addus makes pact with union. Are you next?

Union efforts to organize private duty home care workers have hit the motherload.

In a landmark agreement, Palatine, Ill.-based Addus HealthCare Inc. reached a collective bargaining contract with Service Employees International Union (SEIU) Jan. 27 that allows the union to organize the remaining 2,000 Addus home care aides that aren't already part of the union.

In exchange, SEIU will join forces with Addus to lobby state lawmakers for expanded Medicaid coverage and higher reimbursement rates, Mark Heaney, COO of the \$185 million company, tells *PDI*.

"It's a groundbreaking agreement in the home care industry. It's the first national agreement between a private sector

[home care] employer and the SEIU,” Keith Kelleher, head organizer of Chicago-based SEIU Local 880, which organized Addus’ Chicago employees, tells *PDI*.

If Addus’ joint lobbying efforts with SEIU are successful, any resulting boost in Medicaid reimbursement could have a strong impact on Addus’ bottom line — about 70% of its revenue comes from providing in-home supportive services through Medicaid waiver programs, says Heaney.

But not everyone is cheering.

“It could cause other companies to not really examine the details behind what a union does and what you provide to your own employees without a union,” says the executive at one large national private duty company, who asked to remain anonymous because he says he doesn’t want to appear “anti-union.”

Last year, SEIU tried unsuccessfully to organize employees at two of the company’s Southern locations, the executive says.

“We don’t need a union telling employees what’s best for them or telling us what’s best for them,” he tells *PDI*. “We like to maintain that relationship directly. When you get an intermediary, the communication breaks down.”

SEIU’s Kelleher predicts that other home care

companies will be intrigued with the arrangement it has brokered with Addus, especially those that receive a significant portion of their revenue from federal programs like Medicaid. In fact, SEIU currently is working with other national home care companies on agreements similar to Addus’, Kelleher tells *PDI*.

Some of those companies could be in Milwaukee, where SEIU has been actively pursuing private duty home care workers, says Susan Duvall, a former caregiver who heads up the Caregiver Retention Project for the Milwaukee Aging Consortium.

Jackie Lindsey, private duty coordinator for Adventist Health Personal Care, hasn’t felt the pressure of a union at her door. She says that although her Sonora, Calif.-based company would not be open for a discussion with a union, she’s interested to know how the Addus agreement benefits both parties.

SEIU currently has contracts with about 100 home care companies in at least 20 states. Nearly 25% (440,000) of its 1.8 million members are home care workers, Kelleher says.

Why Addus did it

Addus didn’t allow SEIU to organize its workers without putting up a fight. It has opposed SEIU’s

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efforts to unionize its staff for nearly 20 years, says Heaney.

SEIU first organized Addus' Chicago employees in the early 1980s, and the company fought the organization every step of the way, he says. But its efforts yielded mixed results; the company came out of the 1980s with three of its 15 offices organized. By the mid-1990s, about eight out of its 40 offices had become organized, he says. And by the time it finally brokered its agreement with SEIU early this year, 6,000 of its 8,000 employees already had been unionized, Heaney says.

So, after spending hundreds of thousands of dollars with no sign of union organizers letting up, Addus' executives decided to begin "positive" discussions with the union, Heaney says.

The resulting 3-year national agreement states that Addus will no longer oppose the union's efforts to organize its staff. It outlines the rights of the employer and employees, streamlines how grievances will be handled and specifies that wage and benefit negotiations will occur at the local level since Medicaid reimbursement can differ widely from state to state, he says.

In many respects it's a "rather standard agreement," says Heaney, except that it defines how both sides will work together on policy and legislation. Under the contract, Addus must provide workers with paid time off to attend "lobby days" at their state capitals, he says.

What would you do?

Once a union comes in, an employer's relationship with its staff changes, and it gains an unwanted partner in its business that hinders a company's ability to respond quickly to the marketplace, Kathy Janz, owner of Matched Caregivers in Redwood City, Calif., tells *PDI*.

She recalls a phone call she received in 2003 while away on vacation. An office staffer had tracked Janz down to inform her that a union representative had approached one of the company's home care aides. Matched Caregivers employs 100 caregivers and provides 3,000 service hours a week, 99% of which is private pay, says Janz.

She contacted a labor attorney the same day, who helped her prepare a letter to enclose in employees' paycheck envelopes. The letter stated that the company opposed unionization and dispelled "misinformation" that had been floating around, Janz says. For example, her employees believed the agency was working with the union, and that it had provided employees' addresses and phone numbers to union

organizers, she says.

Fighting off the union became a full-time job that lasted four months and cost \$20,000, she says. But Janz was victorious. An election never took place, and so far the union reps haven't come back. If they did, she would fight, she says.

"I would never roll over and let them come in," she says.

Larry Willman, owner of Consolidated Home Health in Richmond, Texas, was raised in a union family, but he would not welcome a union into his company, he tells *PDI*.

"Beyond advocacy, what does a union do other than bully employers?" Willman says. There already are several established advocates for home care workers, he says, including the U.S. Equal Employment Opportunity Commission, the Department of Labor and state agencies such as the Texas Workforce Commission.

He fears the devastating impact that a strike could have on his clients and his business, which provides skilled services to about 30 pediatric clients through the state's Medicaid program. Home care is different than other industries because a strike could endanger a patient's life, he says.

Addus' Heaney sees it differently.

When a union such as SEIU presents itself as wanting to advance an industry by helping to make it more cost-effective and competitive, companies may want to consider partnering with it, he says.

"The home care industry is under pressure," Heaney says. "What better ally to have than the SEIU?" ♦ -- Maria Tsigas [mtsigas@decisionhealth.com]

5 ways to improve relations with your employees

Although better wages, hours, benefits and working conditions are common reasons why employees seek union representation, a lack of dignity and respect in the work place carry just as much weight, says a Service Employees International Union (SEIU) representative.

In fact, SEIU has organized companies that pay fairly decent wages but treat and talk to their employees horribly, says Keith Kelleher, head organizer of SEIU Local 880, based in Chicago.

Demeaning language was a common complaint among workers during one of SEIU's first drives to organize Addus HealthCare's caregivers in the 1980s, says Kelleher, who led the effort. He recalls how the caregivers, mostly women in their 40s and 50s,

objected to their boss' penchant for referring to them as "girls."

That's why it's important to maintain open channels of communication with your employees, recommends labor attorney Alan Carlson of Littler Mendelson, in San Jose, Calif., who helped private duty agency owner Kathy Janz prevent a union from organizing her workers three years ago. When employees don't have a way to communicate effectively with employers, it opens the door for a union to become the middleman, he says.

An employer's lack of communication and lack of attempting to communicate are top reasons employees seek union representation, Kelleher says. For example, he has heard employee complaints about employers whose only form of communication was to hand employees their paychecks.

Here are five ways you can improve communication with your staff:

- **Hold regular meetings with employees where you can solicit their opinions and suggestions**, recommends Indianapolis-based home care attorney John Gilliland, a partner in the law firm of Gilliland, Markette & Milligan.

- **Craft clear, well-drafted, written personnel policies.** Always have an employee handbook with clear, understandable policies, and make sure employees know where it is, says Gilliland. An employee handbook helps counter a union's argument that it will negotiate a contract for employees so they know where they stand, he says. It's legally permissible to state in the employee handbook your company's stance on unions, but you can't require employees to notify your company when they're approached by a union representative, or threaten to fire them if they participate in a union drive, Gilliland says.

- **Make sure your actual practices are consistent with your company's personnel policies**, says Gilliland. A company that has a written discipline system that involves several verbal and written warnings before an employee is dismissed could alienate other employees and make them feel "jerked around" if it fires an employee without any warning, he says.

Also note, if your company's distribution policy allows employees to post lunch menus, "for sale" signs and other miscellaneous notices on a bulletin board, "you'll be hard-pressed to say no if a union organizer wants to post something," says home care attorney Roni E. Glaser, partner at Mineola, N.Y.-based Meltzer Lippe.

- **Educate employees about the ins-and-outs**

of unionization, recommends Janz. After SEIU tried unsuccessfully to unionize her home care workers, she began showing a video during all new employee orientation sessions that provides information about unions and what they can and can't do for workers.

- **Know how federal and state labor laws apply to your company** so you can avoid committing unfair labor practices and risking costly lawsuits, says Gilliland. Information about the federal Fair Labor Standards Act, as well as all state labor laws, is posted at www.law.cornell.edu/topics/Table_Labor.htm. ♦ -- Maria Tsigas [mtsigas@decisionhealth.com]

N.Y., Miss. could direct more patients to home health

Efforts by New York and Mississippi legislators to cut Medicaid spending could direct more eligible patients to home health and away from costlier long-term care alternatives.

The effort could spread to other states that rely heavily on Medicaid and Social Security, says Joe Campanella, executive director, Home Care Council of New York City.

In Mississippi, bills in the House and Senate support Medicaid waivers for home health at a cost of about \$20,000 per patient annually, compared to an average \$52,000 per year for a patient's stay at a nursing home.

And in New York, a panel of health officials, including Mark Kissinger, president of the Home Care Association of New York State Inc., is considering a system to reduce nursing home placement and shave millions in annual Medicaid expenses.

It's a small victory for home health advocates who've long touted home health as the most cost-efficient long term care option, Kissinger says. New York's nursing home spending hovers around \$11 billion, according to the Commission on Health Care Facilities in the 21st Century, a panel convened to review New York's health resources and develop plans for their most efficient use.

The panel is developing an evaluation system to identify "inappropriately placed" nursing home residents, and it will identify the counties with the highest number of such patients.

Home health agencies in the area are "encouraged" by the effort, but it's just the first step towards getting more investment and public support for home health, says Kissinger. ♦ -- Samantha Joseph [sjoseph@decisionhealth.com]