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**Val J. Halamandaris, JD**  
*President*

September 13, 2006

Honorable Sue W. Kelly  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Kelly:

The National Association for Home Care & Hospice commends you for introduction of the Home Health Transportation Cost and Access Act of 2006.

As an industry that provides vital health care services to individuals in their homes, home care agencies have been particularly hard-hit by rising gasoline and related transportation costs. Given the nature of this industry and the rapidly increasing costs, we believe it is vital that the Centers for Medicare & Medicaid Services uses the most accurate and timely data available to establish the annual inflation update for home health agencies.

Even more importantly, we appreciate the inclusion in your bill of a Sense of the Congress that home health agencies receive a full inflation update for calendar year 2007. Home health agencies have undergone considerable change over the last 10 years. In addition to weathering two major payment changes, the annual inflation adjustment has been reduced or eliminated several times. Agencies are having difficulty in recruiting and retaining staff because they can't compete with other health care providers that can offer special signing bonuses and other inducements. At the same time, reimbursement for home health services delivered to Medicaid and Medicare Advantage patients almost always fall below the costs of delivering care. And a full one-third of all agencies are losing money on their fee-for-service Medicare patients.

In recent years both the Bush Administration and the nation's governors have acknowledged the value of making services more widely available in the community, both from a human and a financial perspective. Your legislation provides a clear signal that you also recognize the important role that home care services play, and your commitment to protecting the vital home care infrastructure throughout the nation.

Thank you, once again, for developing this important legislation. We look forward to working with you throughout the remainder of the year on this important issue.

Sincerely,

Val J. Halamandaris, JD  
President