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FOR IMMEDIATE RELEASE

Study Shows Home Healthcare Lowers Medicare Spending

LUFKIN, TEXAS (June 15, 2009)... As the President unveils his plan to overhaul American's health care system, some groups say Medicare dollars can be saved by simply taking advantage of services already available to Medicare patients. A recent study shows that Medicare patients who suffer from chronic illnesses, such as diabetes, chronic obstructive pulmonary diseases (COPD) or congestive heart failure (CHF) actually saved almost \$2 billion dollars in health care costs by taking advantage of extended medical care at home. The study, conducted by Avalere Health and commissioned by The Alliance for Home Health Quality and Innovation, shows that Medicare patients saved \$1.7 billion dollars when using a home health agency within 3 months of being discharged from a hospital. The same group had 24,000 fewer re-hospitalizations than similar patients that used other forms of post-acute care (e.g., skilled nursing facilities, long-term care hospitals, inpatient rehabilitation facilities, or hospice) over a two-year period. It was also found that if those in the study group who utilized other forms of post acute care had used home health services an additional \$1.77 billion would have been saved. The study was conducted to evaluate the relationship between post-hospital home health use and Medicare spending and hospital readmissions.

Home healthcare is one form of post-acute care, and is currently paid for by Medicare if a patient is unable to leave home without significant assistance. Medicare enacted the Home Health benefit in 1965, and is covered by the hospitalization part of Medicare even though it is outside the hospital. It was planned as the "safety net" to continue care following hospitalization.

"I feel the study targeted patients with heart and lung diseases and diabetes because these are long term chronic diseases that must be actively managed for the patient's lifetime," said Patricia Jones, Director of Memorial Homecare. "These patients are typically in and out of the hospital frequently since they often have more than one of these diagnoses concurrently. The greatest way to save Medicare money is to keep them out of the hospital."

According to Ms. Jones, Homecare can impact the patient and Medicare spending in three main ways.

- 1) By home health nurses seeing the patient several times a week, changes in a patient's condition can be caught early and the physician notified. The physician can then see the patient in an office visit and make changes before hospitalization may be necessary.
- 2) Home health nurses and therapists are able to teach patients about their diet, how to monitor weight and other "self care" measures.

- 3) Home health nurses and therapists also serve as both cheerleaders and authority figures to motivate the patients to comply with their doctors instructions.

The average percentage of patients who had to be admitted to the hospital after using Home Health services for all home health agencies in the United States was 29% according to Medicare data from October 2007 – September 2008. The percentage for the State of Texas was 34%. Memorial Homecare was one of the lowest in Angelina at 32%.

Cut line: Diane Smith, LVN with Memorial Homecare, checks Clarence Huggins, Sr's blood pressure at his home. A recent study conducted by Avalere Health shows that Medicare patients who suffer from chronic illnesses, such as diabetes, chronic obstructive pulmonary diseases (COPD) or congestive heart failure (CHF) actually saved almost \$2 billion dollars in health care costs by taking advantage of extended medical care at home. The study was conducted to evaluate the relationship between post-hospital home health use and Medicare spending and hospital readmissions.

About Memorial Health System of East Texas

As the largest health care system in the deep East Texas area, Memorial Health System of East Texas is a private, not-for-profit hospital that provides care to almost a quarter of a million patients each year. Since its inception in 1949, Memorial Health System has paved the way for quality, innovative health care in East Texas. In fact, Memorial consistently ranks among the nations best for exceptional health care and patient satisfaction.

Memorial Health System of East Texas is comprised of four hospitals—Memorial Medical Center—Lufkin, Memorial Medical Center—Livingston, Memorial Medical Center—San Augustine, and Memorial Specialty Hospital, the only rural long-term acute care facility within the area. Memorial offers a wide array of services, including the newly renovated Arthur Temple, Sr. Regional Cancer Center, which has earned a three-year seal of approval with commendation from the Commission on Cancer. Additionally, Memorial is a regional cardiac care center affiliated with the Methodist-DeBaakey Heart Center in Houston. The hospital also is known for providing the area's only comprehensive diabetes center—The Horace C. Polk Regional Diabetes Center. Other centers of excellence include the Temple Imaging Center that offers some of the most advanced procedures in the area, including PET/CT scanning for cancer and Alzheimer's, 64 Slice CT scanning, Open Bore MRI, 4D Ultrasound, and digital mammography. Other specialty areas include Orthopedic care, Women's Services, Inpatient and Outpatient Rehabilitation, Homecare, Wound and Hyperbaric Therapy, Kidney & Diabetes Treatment, Sleep Disorders Treatment, and Express Lab. Memorial Health System of East Texas—founded and funded by the people it serves.