

Nursing service uses survival tactics in difficult times

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Early last year Tri-County Home Nursing Services in [Westbury](#) accomplished its longtime goal of expanding into [Suffolk County](#).

But just 10 months after the 30-year-old home health services company opened a [Coram](#) office and started building a client base, it was forced to scale it back due to statewide Medicaid cuts, say company officials.

"It was heartbreaking," says Taniella Jo Harrison, 40, Tri-County's executive director and granddaughter of the company's founder. She says they were forced to lay off five administrative staffers and cut patient caseload by more than half in [Suffolk](#). "We had to do it or we couldn't make payroll or pay our bills."

The company, which employs 200 aides and has annual revenues of more than \$5 million, relies on Medicaid reimbursement for about 70 percent of its business. The remainder comes from private-pay clients and other private service contracts. The reduction in Medicaid reimbursement means they're paid less per patient while having to provide the same quality of service, thus reducing their revenue stream.

Strain on providers

Since 2009, Medicaid cuts to [New York State's](#) home and community-based care sector have totaled more than \$500 million, says the state Association of Health Care Providers in East Greenbush.

"Medicaid cuts impact the entire health care industry," says HCP president Christine Johnston. "For home care, it is a significant impact on providers' ability to offer care in an area that has a growing need."

The risk is that as providers find they can't afford to deliver care in the Medicaid system, they stop serving this population. That leaves fewer providers available to patients, according to HCP.

Tri-County is working on a strategic plan that will help identify new opportunities, says Harrison, whose late grandmother, Ella Ferguson, started the company in 1981. It's ramping up marketing to target more private-pay customers, including launching a mailing campaign to affluent communities, and has received an industry accreditation it hopes will give it a competitive edge.



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"We're used to things changing," says Tri-County president Linda Cunegin, 65, Harrison's mother and Ferguson's daughter, who took over the company in 2002 after her mother died. "We're going to land on our feet."

On top of the Medicaid cuts, Tri-County has had to forge new relationships with managed-care organizations as part of statewide changes that impact how providers are reimbursed. The company used to receive its Medicaid payments directly from the [Nassau County Department of Social Services](#), under which it has had a contract. Now it has to contract with individual managed-care plans, Harrison says, adding that Tri-County has struck deals with eight managed-care providers and is working on more.

Accreditation's a bonus

The accreditation win came from the Community Health Accreditation Program and involved a rigorous evaluation. The designation indicates "the organization's interest in going above the minimum standard," says Linda Scott, CHAP chief operating officer. It will help when competing for new customers and contracts, says Giana B. Harrison, 38, Taniella's sister and Tri-County's assistant executive director.

They're still hopeful they can build back up their 3,000- square-foot Coram office, which now has just two dedicated staffers. "I think it will rebuild itself, because there's a demand for these services," says Cunegin.

The company is also seeking a \$500,000 line of credit to use as working capital, says Harrison. "We want to keep my grandmother and my mother's legacy thriving."

[< back to article](#)