

Ensure Financial Stability of the Medicare Home Health Care Delivery System



The COVID-19 pandemic has triggered an unprecedented disruption in the home health agency (HHA) infrastructure, and the home health delivery system is experiencing significant financial stress. More than 41% of HHAs report they are serving COVID-19 positive, confirmed infected patients while still caring for much of the usual 3.5 million patient population. Early data of the impact of the public health emergency on HHAs reveals:

- Medicare home health **reimbursement has dropped by approximately 20%** while the costs of maintaining operations have decreased only slightly. Notably, 31.42% of HHAs report a **greater than 20% decrease in revenue in 2020**. Rural HHAs are not immune to the impact of COVID-19. The study data indicate comparable impact on HHAs serving rural patients on all counts.
- Patient admission volume overall has decreased significantly, partly due to the suspension of elective surgeries, such as joint replacements, which had been an important part of an HHA patient census. **Two-thirds of HHAs indicate a 10% or greater drop in patient admissions, 56% report a drop of greater than 15%, and 38% indicate a reduction of patients of more than 20%.**
- A large number of non-COVID-19 patients are refusing care or reducing their in-person visits by HHA staff to minimize risk of transmission of the virus. **More than 87% of HHAs report that prospective patients are refusing admission to care and 97% of HHAs report that patients are refusing visits due to concerns with transmission of the virus.** This has led to a significant loss in revenue as “LUPA” or Low Utilization Payment Adjustment (LUPA) payments increased from a 7% average to over 15%.
- Patient service costs have increased due to reduced staff productivity, infection control expenses, increased administrative burden due to closures of physician offices and other partners, and isolation/quarantining of caregivers suspected of exposure to the virus.

SUPPORT OF THE MEDICARE HOME HEALTH PROVIDER COMMUNITY IS NEEDED.

With funding equaling 6.2% of 2019 Medicare fee-for-service revenue made available under the CARES Act, a step was taken toward mitigation of the estimated 20% in overall losses and increased costs to HHAs due to COVID-19. However, additional financial support is needed to continue to stabilize the financial foundation and infrastructure of home health agencies. Without significant financial supports, the HHA delivery system is at risk of significant long-term harm from these factors beyond their control. The ultimate level of impact will be affected by the time we reach the full length of the pandemic.

The home health community asks for additional financial support to mitigate the losses to the home health care delivery system. The National Association for Home Care & Hospice (NAHC) and the Partnership for Quality Home Healthcare (PQHH) ask for the following relief measures to support the infrastructure and operations of HHAs.

Financial impact data referenced due to COVID19 is data from the National Association for Home Care and Hospice (NAHC) survey on April 6-17, 2020 of over a thousand home care providers from every state in the nation.

Stabilize the Medicare Home Health Care Delivery System Through Expedited Funding or Rate Adjustments



NAHC and PQHH recommend:

Ensure continued financial support for HHAs by increasing funding to the Provider Relief Fund in the CARES Act

Act: The financial impact from COVID-19 is negatively impacting HHA revenue by 20-25%. The earlier CARES Act emergency fund allocation and the upcoming suspension of the 2% sequestration took steps to address these losses but unfortunately more support is needed to ensure HHAs can continue delivering care to patients and meet the needs of their patients in a COVID19 environment and thereafter. Financial support could be provided through extended relief supplied to HHAs through the CARES Act funds. In addition, rural HHAs warrant special consideration beyond this request as the entire infrastructure of care delivery in rural areas had been weakened even before the pandemic.

HOME HEALTH IS A VITAL PART OF THE CARE DELIVERY SYSTEM.

Home health services are increasingly needed during the pandemic and are a vital part of our nation's health care system. Currently, 3.5 million Medicare beneficiaries receive home health care. The additional support for HHAs through funds available in the Provider Relief Fund will help to address the massive fiscal disruption and increased costs triggered by COVID-19.

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