



Legislative Health & Human Services Committee

October 16, 2023

Who We Are

Home Health Care

Skilled care given by health care professionals such as nurses, physical, occupational, and speech therapists

The care must be ordered by a physician or (as of 6/5/20) a non-physician provider

18,000 NM Medicare beneficiaries used home health benefit

72 Medicare certified home health agencies

Hospice

Addresses patient's physical, emotional, social, and spiritual needs

Helps the patient's family and caregivers

Emphasis is on caring, not curing

Care typically provided in the home

11,438 NM Medicare beneficiaries used hospice benefit

42 Medicare certified hospice agencies

Personal Care Services

Medicaid community benefit for individuals with a nursing facility level of care determine

Assistance with some or all of activities of daily living

Purpose is to avoid institutionalization and/or to increase individual's ability to remain independent

Over 32,000 Medicaid personal care service members

Home is Patient Preferred & Safe Care Setting



AARP Public Policy Institute report that 90% of people 65 and older would prefer to receive care in their homes for as long as possible.



94% of Medicare beneficiaries would prefer to receive post-hospital short-term health care at home.



Patients treated in a home-based setting following a visit to the emergency room were significantly less likely to be admitted or readmitted to the hospital.

Home Health Care in New Mexico

Economic Profile of Home Health¹

14,593 Number of Home Health Employees

19,792 Number of Jobs Created by Home Health

\$352M Home Health Total Wages

\$498M Total Impact on State Labor Income

SPOTLIGHT: HOME HEALTH & MEDICARE

New Mexico's Medicare Home Health Users are typically much sicker than the general Medicare population

	Medicare Beneficiaries in New Mexico who use Home Health	All Medicare Beneficiaries in New Mexico
Total Number	18,429 ²	432,470 ³
Percentage with 3+ Chronic Conditions	80.90% ²	6.35% ²

1. KNG Health Consulting, LLC and the Research Institute for Home Care; .

(Citing and analyzing from Quarterly Census of Employment and Wages collected by the U.S. Bureau of Labor Statistics, 2021).

2. Home Care Chartbook Data. November 2022. (Citing and analyzing from Medicare Standard Analytics Files, 2021).

3. Kaiser Family Foundation Analysis of CMS State/County Penetration file. 2020. <http://kff.org/medicare/state-indicator/total-medicare-beneficiaries/#>

Home Health in Crisis

Impact of Medicare's Proposed Home Health Cuts

Number of Medicare Beneficiaries
who Received Home Health in 2021

18,429

Number of Home Health Agencies

72

Gross Impact of Proposed 9.36%
Cut to Medicare Home Health in
New Mexico for CY 2024 Alone

-\$4,355,287

Estimated "Clawback" Temporary
Cuts to the Medicare Home Health
Program (to be applied through
future year cuts and equaling
-24.5% if applied in a single year)

-\$20,444,466

Estimated State Impact over
10 Years for the Under-Valued
Market Basket for CY 2021-22

-\$55,024,628

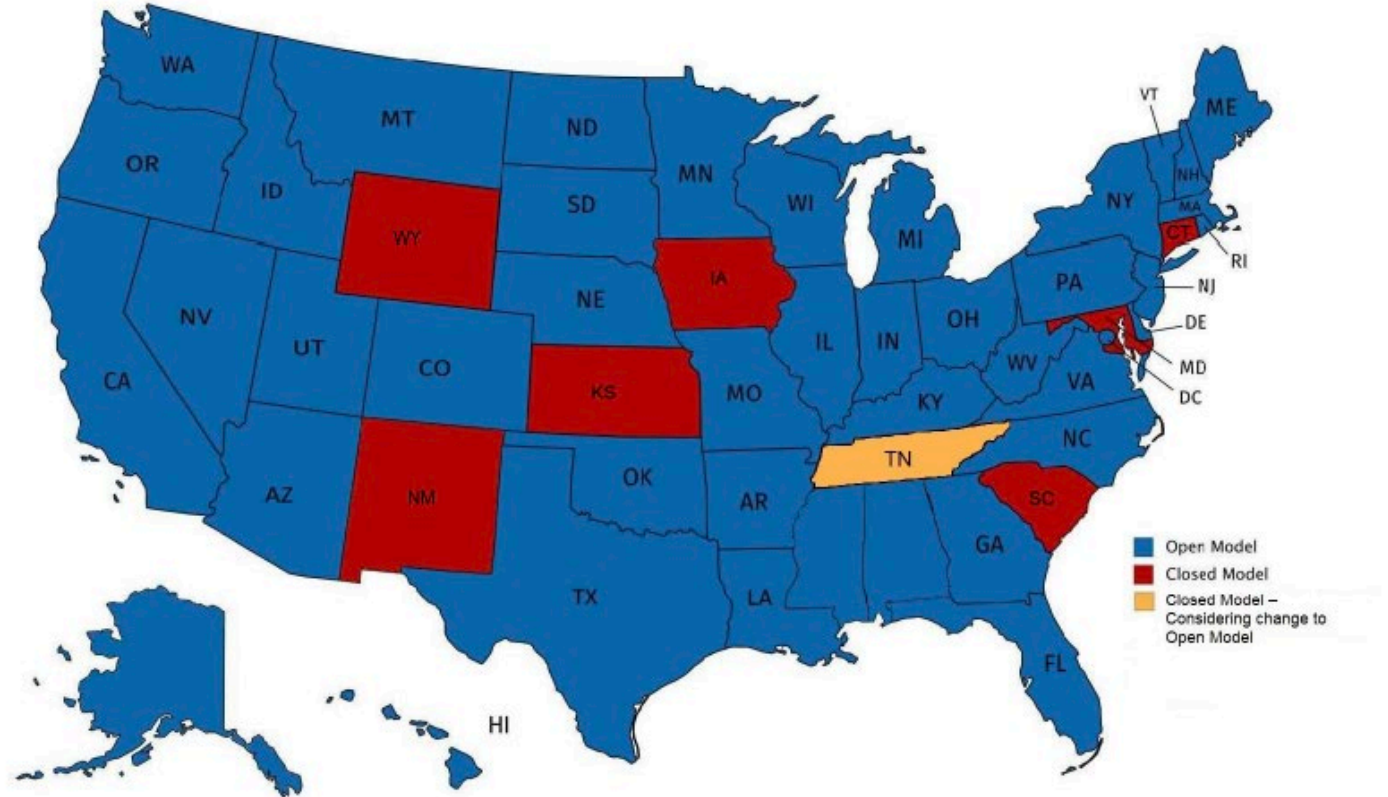
% of HH Agencies Forecasted
with Overall Margins Below
Zero After the 2024 Cuts

63.6%

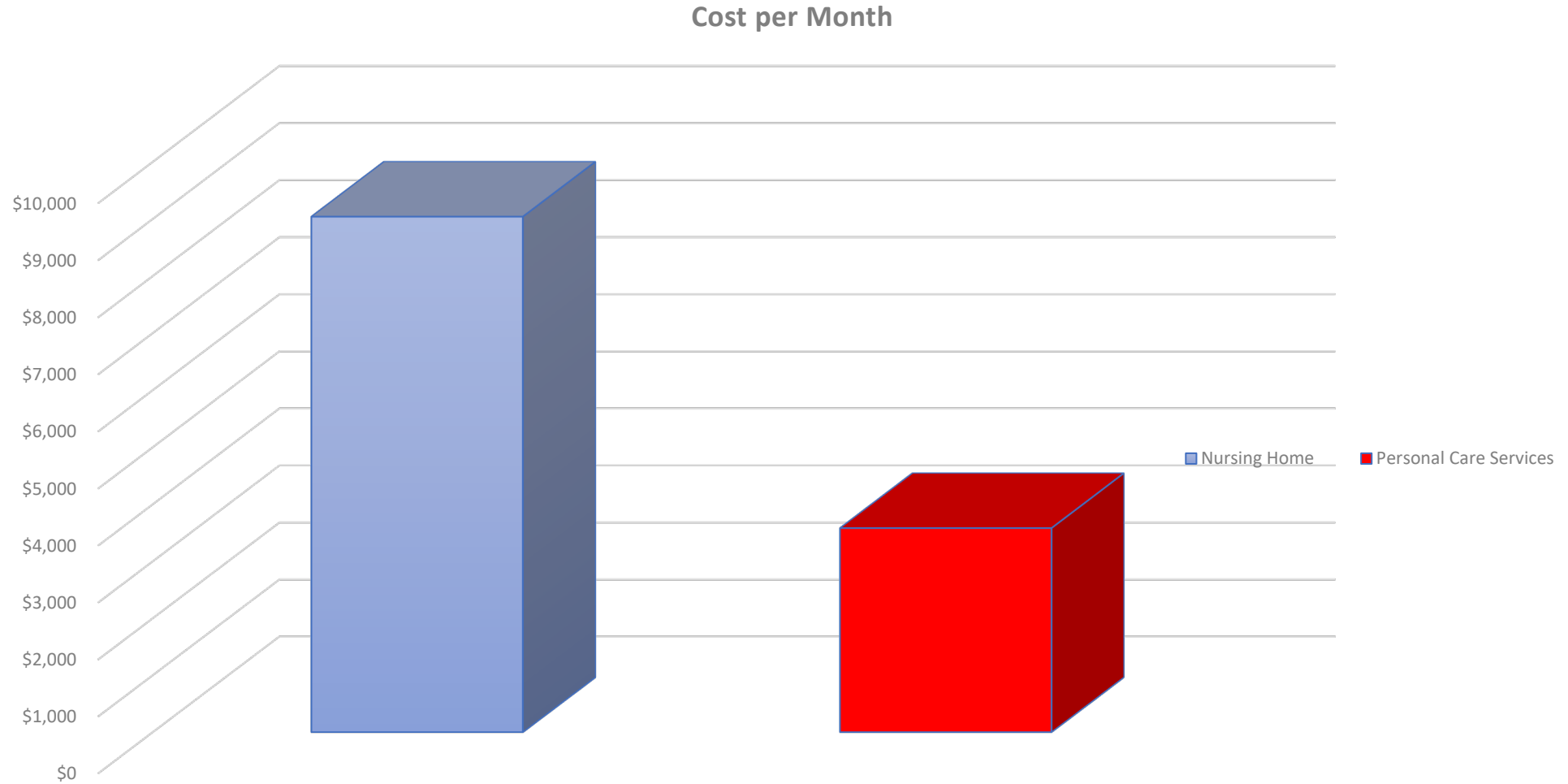
Electronic Visit Verification

Currently only 5 of the 50 states or 10% are continuing to use a closed model solution.

- Tennessee has recently announced it will be moving to an Open Model solution.
- Alabama initially deployed a closed model solution but moved to an Open Model solution after about a year.



Personal Care Services Benefits New Mexico



20 Year History of Personal Care Services Reimbursement Rates

YEAR	REIMBURSEMENT (PCO Rates)	MINIMUM WAGE REQUIREMENTS			
		Santa Fe	Abq.	Las Cruces	N.M.
1999	\$18.00				
2002	\$16.00				
2003	\$15.50				
2004	\$13.50	\$8.50	\$5.15	\$5.15	\$5.15
2007	\$13.50	\$8.50	\$6.75	\$5.85	\$5.85
2008	\$13.16	\$9.50	\$7.50	\$7.50	\$7.50
2009	\$12.88	\$10.29	\$7.50	\$7.50	\$7.50
2012	\$12.88	\$10.29	\$7.50	\$7.50	\$7.50
2013	\$12.88	\$10.51	\$8.50	\$7.50	\$7.50
2014	\$12.88	\$10.66	\$8.60	\$7.50	\$7.50
2015	\$13.40	\$10.84	\$8.75	\$8.40	\$7.50
2016	\$13.27	\$10.91	\$8.75	\$8.40	\$7.50
2017	\$13.27	\$10.91	\$8.80	\$9.20	\$7.50
2018	\$13.27	\$11.09	\$8.95	\$9.20	\$7.50
2019	\$13.40	\$11.40	\$9.20	\$10.10	\$7.50

PCS Reimbursement Rate 2020-2023

	Santa Fe	Abq.	Las Cruces	N.M.
2020				
Minimum Wage	\$12.10/hr	\$9.35/hr	\$10.25/hr	\$9.00/hr
2020				
Reimbursement Rate	\$14.10	\$13.55	\$13.55	\$14.90
2021				
Minimum Wage	\$12.32/hr	\$10.50/hr	\$10.50/hr	\$10.50/hr
2021				
Reimbursement	\$14.32	\$14.70	\$13.80	\$16.40
2022				
Minimum Wage	\$12.32/hr	11.50/hr	\$11.50/hr	\$11.50/hr
2022				
Reimbursement	\$14.32	\$15.70	\$14.80	\$17.40
2023				
Minimum Wage	\$14.03/hr	\$12.00/hr	\$12.00/hr	\$12.00/hr
2023*				
Reimbursement	\$16.03	\$16.20	\$15.20	\$17.90

New Mexico Response to Rising Minimum Wage

- Since 2019 to 2023, minimum wage rose by \$4.50/hour. However, based on our own rate study costs, *driven by the State's minimum wage increases and other mandates*, increased for providers during that same time by \$7.46/hour.
- To date, reimbursement rate increases have only recognized the cost of the increased minimum wage but have **not** recognized the corresponding increases in FICA, social security, unemployment taxes, worker's comp, travel time, overtime, nor corresponding increased overhead costs, we are short at least \$3/hr, every hour we provide care.
- Above and beyond to minimum wage and associated increased costs driven by wages, there have been a number of mandates that have driven provider costs that have **not** been fully recognized by HSD including the administrative costs associated with electronic visit verification, the cost to manage destination based gross receipt taxes, and now the full costs of the paid sick leave law.
- Currently, the costs associated with implementing the Healthy Workplace Act are greater than the increases providers received to recognize HWA. Family Medical Leave- without a budget line item for Medicaid providers, to make providers whole, it will not be feasible.



ARPA Cliff



Tyler Corbin



Recommendations

Support Expendable Healthcare Trust

Pressure NMHSD to move toward an open electronic visit verification (EVV) network

Personal Care Service Cost Study Bill

Thank You



Meggin Lorino

New Mexico Association for Home & Hospice Care

meggin@nmahc.org

Phil London

The Evangelical Lutheran **Good Samaritan** Society

plondon@good-sam.com

Amy Corbin

Community Homecare

amy.corbin@chomecare.com