



Legislative Health & Human Services Committee

October 25, 2021

Who We Are

Home Health Care

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

Other support services such as assistance with daily living from a qualified home health aide

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

16,333 NM Medicare home health beneficiaries used home health benefit

74 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

Average 2022 cost per member per month of \$9,038.76 for nursing facility members compared to \$3,582.48 for CB members.

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.

| Threats to Industry

- Home Health Final Rule
- Administrative Burdens
- Recruitment & Retention
 - Labor shortage
 - Minimum wage increase
 - Paid time off



Home Health Final Rule Impact of Medicare's Proposed Home Health Cuts

The Centers for Medicare & Medicaid Services (CMS) has proposed a **permanent 7.69% payment cut** to Medicare home health beginning in 2023 and a steep **\$2 billion “clawback” cut** beginning in 2024, with the potential for additional cuts in the years beyond. This cut equates to a **\$1.33 billion cut** from home healthcare in 2023 alone. In total, these cuts could reach **\$18.15 billion** over the next ten years.

Home Health Final Rule

Impact of Medicare's Proposed Home Health Cuts

Impact of 7.69%
Cut to HH in 2023
-\$3,750,604

Impact of \$2B Clawback for
Care Provided in 2020 & 2021
-\$9,844,538

Estimated Impact of
Clawback for 2022
-\$5,885,984

Total Impact of
Cuts in 2023
-\$19,481,126

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Cuts in 2023
-\$19,481,126

Impact of Total Cuts as a Percentage
of Medicare HH Revenue
21.6% cut out of \$89,997,610

Percentage of Home Health
Agencies with Margins Below Zero
43.2%

Administrative Burden

Home Health

- Electronic Visit Verification-closed network

Hospice

- Death registration at a nursing home
- Dementia training requirements

Personal Care Services

- Electronic Visit Verification
- Critical Incident Reporting
- Gross Receipt Tax sourcing by location
- Paid Time Off

Recruitment & Retention

Staffing

- The current nursing shortage is even more acute in-home care nursing because significant pay disparities exist between hospital-based versus home care nursing jobs.
- Similarly, the U.S., turnover rates run between 40% and 60% for caregivers.



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

New Mexico Response to Rising Minimum Wage

CENTENNIAL CARE MCO AVERAGE REIMBURSEMENT BY COUNTY

MCO Average Reimbursement	Bernalillo	Dona Ana	Santa Fe	Statewide
2019	\$15.63	\$15.62	\$15.85	\$15.54
2020	\$16.59	\$16.77	\$17.00	\$16.93
YTD June 2021	\$17.46	\$17.99	\$17.89	\$18.21

Increase in MCO Average Reimbursement	Bernalillo	Dona Ana	Santa Fe	Statewide
2019 to 2020	\$0.96	\$1.15	\$1.15	\$1.38
2020 to YTD June 2021	\$0.86	\$1.22	\$0.89	\$1.28

Mercer Report

State	Hrly Rate	Effective Date	Statewide Minimum Wage	Notes	Reference	Service Code
AZ	\$24.72	2/27/19	\$11.00	Personal Care Services	Mercer Report	T1019
CO	\$18.44	1/1/19	\$11.10	Personal Care Services	Mercer Report	T1019
OK	\$16.20	1/1/19	\$7.25	Personal Care	Mercer Report	T1019

Personal Care Services in Crisis

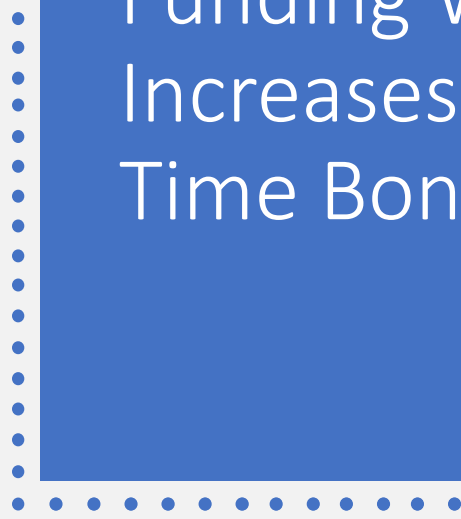

83% of Providers are Turning Away New Referrals

63% of Providers are Discontinuing Programs & Services

55% of Providers are Considering Additional Service Discontinuation

92% of Providers are Struggling to Achieve Quality Standards

66% of Providers are Concerned Vacancy & Turnover Rates Will Increase with End of the Public Health Emergency



The Most Common Workforce-Related Uses of Federal Pandemic Relief Funding Were Wage Increases & One-Time Bonuses

- 72.3% of respondents indicated investing relief funding into one-time wage increases
- 75.3% of respondents indicated investing relief funding into one-time workforce bonuses
- 59.1% of respondents indicated investing relief funding into one-time hiring or sign-on incentives
- 26.9% of respondents indicated investing relief funding into training or other professional development programs

Recommendations

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

Support the 2023 Dementia Training legislation

Support Death Pronouncement legislation

Pressure NMHSD to reevaluate current critical incident reporting system

Pressure NMHSD to provide a reimbursement rate that recognizes the cost of labor and administrative cost of providing personal care services including proportionate increases in taxes, paid time off, administrative cost of GRT sourcing by location, electronic visit verification, rising cost of gas and labor for support services, and any other legislation that puts administrative cost onto business (ie: family leave)