HOMECARE & HOSPICE
National Association for Home Care & Hospice

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NATIONAL STUDY SHOWS HOME HEALTH CARE IS IN A FRAGILE STATE

A national survey of home health agencies indicates that the COVID-19 pandemic has severely disrupted the care delivery system, bringing significant financial pressures throughout the country. The impact is due to pandemic-triggered changes affecting services to the usual 3.5 million Medicare beneficiaries who receive care in the home as well as the new patient population of COVID-19 patients. Nationwide, 41.5% of HHAs report serving actively infected COVID-19 patients. In the NY/NJ "hot spot" 85.71% of HHAs report serving such patients.

The survey was conducted between April 6 and April 17 by the National Association for Home Care & Hospice. Respondents, totaled 1119, including home health companies from all states. Of the respondents, 67.3% provide some care in rural areas. The findings indicate serious concerns about the financial stability of home health agencies as operations and revenues have been severely affected in multiple ways. These findings include:

- 85% of respondents report revenue reductions with a median reduction between 15 and 20%.
  - 31.7% report reductions in excess of 20%
  - 53.% report reductions in excess of 15%
  - "hot spots" such as NY and NJ report even higher reductions with the NY/NJ region indicating 67.9% with greater than 15% and 46.3% greater than 20%
- Revenue reductions are primarily related to two factors: decreases in new patient admissions and patient refusal to accept all of the physician-ordered care visits to avoid virus transmission risks
  - 79% report decreases in admissions with 56% indicating reductions greater than 15% and 37.3% reporting reductions in excess of 20%
  - "hot spot" locations report much higher losses of new patients with 92.8% of HHAs in NY/NJ reporting decreases and 75% indicating a decrease of 15% or greater and 57.1% indicating a decrease of greater than 20%
  - 96.9% of HHAs report patients' refusals of care
- Refusals of all of the physician-ordered care visits have triggered payment reductions through the Low Utilization Payment Adjustment ("LUPA"). LUPA rates reduce average reimbursement by approximately 75% or $1500 over the 30-day period payment unit.
  - 52% of HHAs with below national average LUPAs in March 2019 report at least a tripling of LUPAs in March 2020
  - 67% of all HHAs report at least a doubling of LUPAs
- The revenue and care demand reductions have cost HHA employees' jobs
  - 54% of HHAs report reductions in clinical staff
  - 52.8% report reductions in administrative staff
- Respondents indicate that the top three concerns about their future are:
  - Significantly reduced revenues
  - Patient safety with inadequate supply of Personal Protective Equipment (PPE)
  - The inability to fully utilize telehealth services as an adjunct to in-person care that is reimbursed by Medicare

Overall, the survey strongly suggests that home health agencies need financial supports and Medicare policy relief in order to continue to serve COVID-19 infected patients, as well as the other 3.5 million Medicare beneficiaries who utilize cost effective, high quality care at home each year.