NYS Association of Health Care Providers
Representing Home & Community-Based Care

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Testimony of the New York State Association of Health Care Providers, Inc.
Presented to the Joint Legislative Budget Committee on Health
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Presented by Kathy Febraio, CAE
President and CEO

Introduction

On behalf of the New York State Association of Health Care Providers, Inc. (HCP), thank you for the opportunity to provide testimony on Governor Cuomo's 2021 – 2022 Executive Budget Proposal and the state of the home care industry as it continues to provide safe and economical care during the pandemic and to respond to significant policy changes in the face of the public health emergency.

The experience of the last year has clearly shown that it is essential for New York State to INVEST in and protect the economic viability of the home care industry in order to ensure individuals with disabilities, those with chronic illness and elderly populations continue to have access to services that allow them to remain in the comfort and safety of their own homes. The care setting of choice. Patients do better at home.

COVID-19 has highlighted what the home care industry has long known. Home care is the preferred, cost effective, and often safer care setting for those in need of long-term care. Unfortunately, it is a truism that home care workers and their employers are the often forgotten, severely under resourced and underrepresented, but ESSENTIAL component of the health care continuum.

Home care workers sorely deserve recognition and support for their heroism. They are the heart and soul of the industry. Policy makers must ensure serious financial support, access to adequate PPE and readily accessible COVID vaccinations for the industry.

HCP, as a statewide association representing the spectrum of home care providers in New York, can attest that our members are reeling from the perfect storm. We recognize that providers across the health care continuum face multiple acute challenges. Home care is no exception. However, there are critical differences that predate the pandemic. Home care faces strong headwinds, with decreased rates, increased costs, recruitment and retention concerns, difficulty accessing and paying for personal protective equipment (PPE), difficulty vaccinating the workforce, multiple redundant reporting requirements, contracting limits, strict regulation, and other detrimental state policies which all greatly impact critical access to home care services.

It is long past due to holistically invest in, bolster and plan for the future of home care in New York. To be direct – now is not the time to add more upheaval and uncertainty to the home care industry, as the state has charted its course to do. Extensive state regulations and policy changes crush the industry by creating completely avoidable turmoil, chaos, uncertainty, gaps in care and barriers to service.

Overview of HCP's 2021-2022 Budget Requests

Being keenly aware of the delicate fiscal situation in which the State finds itself, many of HCP's budget requests have little or no fiscal impact on the state, while at the same time provide helpful, meaningful and necessary relief to home care providers.

Rather than implementing policies that create obstacles and restrict access to home care, state policymakers should be charting a course for the future of long-term care in New York, which must feature home care prominently as the preferred and least costly care setting of such a system.

In the intermediate- to longer- term, and given the shifting demographics in NYS, HCP urges the state to start on a path of investing in home care for the long-term care needs of New Yorkers. Home care is the care setting of choice for those needing services. COVID has shown this more acutely with residents in congregate care settings either leaving to go home or wishing to do so. Patients do better at home.

HCP Budget Requests

Licensed Home Care Services Agency (LHCSA) Request For Proposals/Offers (RFP/O)
ASK: Include language in the budget to eliminate the statutory language enacted in last year's budget that created the LHCSA RFO.

REIMBURSEMENT/FUNDING
Personal Protective Equipment – Support S.2543/A.179
ASK: Reimburse providers for the increased cost of Personal Protective Equipment and COVID Expenses.

Medicaid Global Spending Cap – Support A.226
ASK: Eliminate artificial Medicaid Global Spending Cap.

1% Medicaid Cut
ASK: Reject 1% Across-the-Board Medicaid Cut.

Quality Incentive Vital Access Provider Pool (QIVAPP)
ASK: Release 2020-2021 Appropriations and continue to fund QIVAPP.

Health Care Transformation Fund (HCTF) – Support S.2531/A.264
ASK: Include language in budget to allocate at least 25% of HCTF funding to home and community-based health care providers.

WAGES AND WORKFORCE
Minimum Wage – Support Executive Proposed Minimum Wage Appropriation
ASK: Fund the increase in the minimum wage scheduled for 12/31/2021.

Minimum Wage Pass Through
ASK: Require Managed Care Organizations to directly pass through to providers minimum wage funding.

Wage Parity
ASK: Continue to Fund Wage Parity in NYC, Nassau, Suffolk and Westchester counties.

ASK: Eliminate the requirement for an independently audited financial statement in connection with wage parity reporting.

Recruitment and Retention Funding and Transparency
ASK: Reject the Governor's Reduction in Recruitment and Retention Funding and include language in one-house budget bill to require Managed Care Organizations to report to DOH and providers how much funding has been disbursed to them.

Nursing Home Transition and Diversion/Traumatic Brain Injury (NHTD/TBI)
ASK: Make Permanent the Waiver Program's exemption from Managed Care.

MRTII and 2020-2021 BUDGET IMPACT ON HOME CARE

Last year's budget and Medicaid Redesign Team (MRT) process was very difficult on home care. Input was limited. MRT representation was limited. The resultant policies had significant negative impacts on home care. During floor debate on the proposals to cut the State's Medicaid program, and since that time Assembly Health Committee Chair, Richard Gottfried lamented the changes in the budget to the State's home care program as among the worst and most troubling provisions in the health care policy area. These sentiments have been echoed by Senate Health Committee Chair Gustavo Rivera and several other legislators. HCP could not agree more!

The negative impacts of last year's budget combined with those of COVID-19 will have extreme and long-lasting effects on the home care industry.

Home Care Providers Respond to COVID-19

As COVID took root across the State, home care agencies experienced an almost immediate downturn in service hours – by as much as 20% – as patients and their families cancelled services out of fear or because families in lockdown were available to provide care.

At the same time, home care agencies who were already reporting outstanding accounts receivables from managed long-term care plans (in many cases in excess of $1,000,000) began to experience a 10-20% slowdown in payments, adding financial challenges at a time when expenses were increasing dramatically:

- PPE costs jumped as much as 20 times what they had been.
- Overtime costs skyrocketed as aides became unavailable for work due to quarantine, fear, illness or child care issues.
- Decreased reimbursement from MLTCs.

Workforce challenges that were already impacting the industry became more apparent and more strained. Child care options evaporated at a time when essential workers needed them most, recruitment and initial training of aides came to a halt and remains stunted and aides were recruited away from home care to work in other care settings.

Regardless of these obstacles, HCP and its members sprang into action to protect patients, workers and the community.

Our members responded to this crisis while facing a lack of resources and an uncertain future. Home care providers focused their time and energy helping patients, workers and their families that were fearful of contracting the virus. Home care providers made hand sanitizer, and hired tailors to make masks because they could not access PPE through regular commercial means and there were difficulties in obtaining them through the state's mechanisms. Providers were distributing two-week supplies of PPE to their aides in order to minimize the exposure by repeated encounters and repeated trips on public transportation.

Home care providers repeatedly gave training on infection control, stopping the spread, and appropriate donning, doffing, cleaning and storage of PPE. Providers communicated with aides through multiple channels: mailers, texts, email, social media, and telephone calls, relaying information and access to state and federal resources. They communicated in multiple languages, created newsletters, videos and provided letters to aides to ensure they were recognized as "essential" when traveling to patients' homes.

HCP has members who arranged nurses' calls to patients as often as three times per week to constantly assess and reassess how patients were doing and what resources were needed to keep them safely at home. Aides use the nurses' mobile phone numbers for 24-hour access to answer questions, troubleshoot and ensure patient health and safety.

Some providers made their human resources operations 24/7 to respond to the needs and concerns of aides.

In addition, we have members that supported their aides by providing a nurse onsite outside of the home of a COVID positive patient on the first visit to answer questions and concerns and ensure extra support for the safety, health and comfort of the patient and the aide.

We also have members who used their Paycheck Protection Program money to provide aides with additional pay during this period in recognition of all that they do.

HCP, faced with members who were not able to access PPE, started a PPE group buying opportunity, obtained donations, distributed hundreds of thousands of pieces of PPE, and worked with other home care provider associations and the City of New York to ensure the industry received PPE in the most vulnerable region of the State.

We did all of this while often times being told home care is not a priority. Worse yet, being told home care is not essential! Home care has been there throughout this crisis. We continue to be there despite DOH's seemingly and unfairly dim view of this ever more necessary industry.

Vaccinations for Home Care Workers

HCP has been spending many hours every week advocating for access to vaccinations for home care workers. HCP has presented immunization safety and regulatory information to the industry. HCP continues its work producing webinars to educate home care workers about the vaccine.

HCP worked hard to get home care workers added to the eligibility list for COVID-19 vaccine. Since they became eligible last month, HCP has labored tirelessly to ensure that home care workers have crucial education and access to vaccine. Unfortunately, this has been and continues to be a very difficult task.

The vaccination process for home care workers has been fraught with confusion, because vaccine supplies and appointments continue to be limited. This has made it very difficult to obtain vaccinations.

HCP continues to meet with regulators and stakeholders to discuss the COVID-19 vaccination roll-out, to press the case for the need to make vaccines more widely and readily available for home care workers across the state, and to meet with regional vaccine hubs and the Governor's Office.

HCP's COVID Vaccine Education Efforts

Around the new year, HCP launched its educational video series, *Take 5 to Fight* COVID in both English and Spanish. The series provides home care workers education about the importance of COVID-19 immunization.

The series is getting noticed beyond the home care community. HCP has shared the project with several multi-state associations at the state and federal levels.

Obstacles for Home Care Providers

Prior to the onset of COVID-19, home care providers were facing dire circumstances with significant uncertainty about rate cuts, lack of transparency and delays in payments from MLTCs and operating on razor thin margins while holding large dollar amounts in accounts receivables.

Then the pandemic brought an entirely new set of never-before-seen challenges with patients refusing care due to fear, home care workers concerned for their own health declining to come to work, and the significant difficulties associated with access to and affordability of the newly competitive PPE market forces.

HCP repeats, as it has during all of its advocacy, that home care providers were experiencing significant fiscal stress leading up to the COVID crisis. Given this fragile condition pre-COVID, we expect the current and future economic impact of the COVID-19 pandemic on the home care industry to be increasingly debilitating without serious fiscal and policy support from policy makers.

CDPAP RFO

As we sit here today, home care agencies are grappling with the fallout of the long awaited, and inexplicably often delayed, Department of Health announcement of contract awards for Fiscal Intermediaries (FI) regarding the Consumer Directed Personal Assistance Program (CDPAP). This was a policy enacted in the 19-20 State Budget. Applications were due on March 3, 2020 just before COVID really began to spread.

HCP has continually urged that the Department delay any action until after the pandemic has resolved. Doing so would humanely provide certainty and stability for consumers, their families, personal assistants and providers. A decision was expected to be announced on July 1, 2020. Since late June, the Department delayed the announcement weekly for several weeks in a row, until finally, in August it announced that an announcement would be made on a date “to be determined”. Alarmingly and without notice, DOH announced its decision on February 11, 2021.

This type of seemingly uncoordinated, opaque, piece-meal policy making negatively affects untold numbers of consumers, personal assistants, and Fiscal Intermediaries, further fueling a crisis of the Department’s own making and leaving the industry facing continued uncertainty and instability at a time when it can least be afforded!

LHCSA RFO

Last year's budget authorized the Department of Health to launch a LHCSA RFO process. It is important to point out that such a process was scored in the budget as saving the state nothing.

The doubts, instability and uncertainty experienced throughout the CDPAP RFO process, discussed above, is the strongest predicter of and source of concern about what a LHCSA RFO process will be. HCP in the strongest terms possible urges the repeal of the LHCSA RFO process from statute.

With all that providers have been facing over the past year it makes little sense to pursue a LHCSA RFO process. LHCSAs must be licensed by the Department of Health before serving patients and are highly regulated. If the Department is intent on consolidating the LHCSA marketplace it should announce a clear procedure for that to happen. Instead, the Department has prevented consolidation by taking inconsistent approaches with respect to how providers can merge with or acquire other agencies.

Moreover, the Department has at its disposal a trove of data from cost reports, statistical reports, LHCSA registrations, and provider compliance surveys to make decisions about responsible and efficient home care providers. Using this data is likely a fairer and more objective way to determine which providers should continue as Medicaid participants. In comparison, they are embarking on yet another application process which will create more havoc and uncertainty in an already under resourced and overburdened industry.

We cannot lose sight of the fact that home care providers are facing a new and little explained and even less understood LHCSA Private Pay Pilot Project, which itself raises numerous questions. Add to this:

- the implementation of and new questions about Electronic Visit Verification which rolled out on January 1, 2021;
- a new, complex home care Cost Report:
- a LHCSA Statistical Report (which is in many ways duplicative of the cost report)
- new burdensome and costly wage parity reporting requirements;
- a LHCSA licensing moratorium which restricts how agencies could be sold. This moratorium officially ended on April 1, 2020, but we are still without direction or application procedures from the Department.

These issues, and others like them, continue to put undue stress and hardship on the state's home care providers. It is evident that it is the State's unspoken goal to dismantle the home care industry in its entirety. HCP is willing and able to engage in conversation, but has not been met with any meaningful, effective opportunity to do so.

At this moment in history, home care is there. It is focused on providing care to those it serves while navigating COVID concerns. Faced with sporadic and unexplained delays, unanswered questions, unclear or non-existent timelines and decisions that make little sense, **HCP urges the legislature to join us in stopping the dismantling of this severely under resourced, but sorely needed industry.**

FUNDING FOR PPE

Now more than ever, home care can provide essential relief to the significantly over-burdened health care system. But it needs to be treated as essential and given access to financial support and personal protective equipment (PPE) that others in the health care system have been given.

Home care needs ready access to PPE, as it continues to struggle obtaining it through the traditional supply chain. In this regard, HCP has submitted legislation to fund PPE for home care providers. The bill would require unspent funding paid to MLTCs by the state to be used to directly support PPE acquisition for home care workers to protect them and their patients from COVID-19.

HCP thanks and commends Assemblymember Gottfried and Senator Rivera for sponsoring this critically important bill. The bill would help ensure home care workers can continue to keep the most vulnerable patients in their homes, protecting them and the public from the spread of COVID-19. The need for PPE for the protection of home care workers and their patients is paramount.

FEDERAL FUNDING RELIEF

In addition, Medicaid home care providers need particular attention when it comes to financial relief. As a state-created construct, LHCSAs do not have the same access to relief from the federal government that home and community-based providers have through Medicare. HCP has been advocating for funding in the next round of Federal relief so that funding is provided to LHCSAs through Medicaid. We are hopeful for relief for our sector, but when it comes to distribution of funding, HCP urges the state to employ a process that gives direct assistance to LHCSAs. HCP is concerned by any mechanism to distribute this funding that is similar to that which was used for the state's DSRIP program, which largely left home and community-based services out of the equation. Continuing this approach is patently unfair and must not be allowed given all that LHCSAs are facing.

SOLUTIONS

PPE Reimbursement Legislation

In addition to the legislature echoing HCP's messaging as has been urged in this testimony to assist the home care industry in surviving at a time when the need for its services is significantly growing, HCP has also taken steps to ensure that home care providers are not left to whither.

First, as discussed previously, HCP urges passage and enactment of legislation to provide reimbursement for PPE. Moreover, amendments to this bill have been offered to expand the items that could be reimbursed to include COVID sick leave for home care workers. Such an amendment makes sense to allow providers to be reimbursed for the costs they have incurred during the pandemic.

It is critically important to note that the reimbursement that this bill contemplates would come not from new state funding, but from funds already allocated to MLTCs that are left unspent due to the reduction in service usage by MLTC beneficiaries. Based on estimates, MLTCs have amassed $52 million per month in unspent premiums paid by the state.

This bill enjoys the broad support of the labor community and the provider community. It also comes at a time when some insurers are realizing increased profits in the midst of a public health emergency.

Creating a Legacy of Care - Peer Mentorship Program

In May 2020, Community Healthcare Services Foundation (CHC), an affiliate of HCP, announced its partnership with the Iroquois Healthcare Association Workforce Investment Organization (IHA WIO) in launching Creating a Legacy of Care, a peer-to-peer mentorship program for home care workers in New York State.

The program, which has been implemented in both New York City and upstate New York, is designed to create a stronger connection and sense of belonging for home care workers who, by the very nature of the work they do, often feel isolated and disconnected from colleagues.

The program connects newly hired caregivers to their more seasoned peers who provide guidance and support during the first 90 days of employment – the most critical time period for a new hire.

CHC is proud to provide a program that is needed now more than ever. Mentoring has a tremendous impact on both the mentor and the mentee, but most importantly it impacts the patients they care for. This program will have a multifaceted effect on the lives and careers of caregivers and will create a legacy of care for all those they attend to throughout their careers.

Recruiting and retaining a qualified workforce is one of the biggest challenges in the home care sector. With the combination of an aging population and the high turnover in home care workers, the New York State Department of Labor is projecting the demand for home health aides to grow by more than 50% by 2025.

The Creating a Legacy of Care mentorship program focuses on job satisfaction, creating job growth opportunities, increasing the retention rate of direct caregivers working in the home, and offers a new tool to home care providers to recruit caregivers.

Other Issues Facing the Home Care Industry

Recruitment and Retention and other Workforce Related Challenges

Future trends indicate that as demand for home care workers continues to grow, recruitment and retention challenges will increase. According to the U.S. Bureau of Labor Statistics, home health care is on pace to be the fastest-growing industry in the nation, with an average growth rate of 4.8% each year, and home health aides and personal care aides are among the top five fastest growing occupations. These projections do not factor in the increased demand for home care services that is expected as Americans live longer, and the availability of family caregivers decreases.

Across the State, home care agencies are experiencing significant challenges recruiting and retaining home health aides, personal care assistants and nurses. This creates obstacles in their service areas and impacts their ability to provide patient care and meet the growing demand for home care services for New York's aging population. Home care workers perform difficult jobs, often under challenging conditions, at salaries that are at or near minimum wage.

Specifically, inadequate reimbursement in Medicaid Managed Care is impeding agencies' ability to offer more competitive salaries. Overall reimbursements in Medicaid Managed Care fail to adequately cover the cost of compliance with existing mandates, and the gap between agencies' costs and managed care reimbursement rates has grown significantly wider in recent years.

Eliminating funding for recruitment and retention of the home care workforce is not a viable solution. First, our workforce is dedicated and has a special drive to care for those wishing to remain living in their homes and communities. These are demanding, critically important jobs that provide cost savings to the State when compared to institutional care. Second, the rate of workforce turnover being experienced is at an all-time high and is cited as the top challenge for home care agencies across the country. When you consider that caregiver turnover has been reported at 67% in a recent study, now is not the time to cut recruitment and retention funding!

Turnover was so severe in 2018 that more than half of the study participants had to turn away new clients because they didn't have enough caregivers. The situation is dire.

This State funding is intended to be used solely for purposes of recruitment, retention and training of home care aides and other direct care personnel. The R&R funds are critically needed to help home care providers address the tremendous challenges they face in recruiting, retaining, and training qualified workers, such as offering competitive salaries and other incentives in areas experiencing labor shortages.

Further investment in training and workforce development is also essential to help home care workers participate in new and collaborative models of care delivery, such as training in the use of technology to collect and transmit clinical data, and new career pathways. Such investment will greatly enhance the value that home care workers provide to the health care system in New York.

In response to this workforce shortage, agencies expend more resources to find potential workers. Agencies invest time, money and resources into training and other requirements needed to attract and keep home care workers.

Having an adequate workforce to provide care is essential to ensuring that home care services remain available. Without home care workers, access to these services will be limited. New York State must address workforce shortages to ensure the provision of high-quality home health care in the future.

Inadequate Reimbursement and Cost Controls Impacting the System

Home Care agencies are currently facing challenges due to inadequate levels of reimbursement, spiraling labor costs, and burdensome regulatory requirements, while simultaneously working to navigate the complex and rapidly changing health care transitions underway in New York. Enabling the State's elderly populations to age independently and safely within their homes starts with defending New York's financially stressed home care infrastructure and matching the inevitable increase in elderly populations and home care demand with an increase in investment.

Rate inadequacy and inadequate reimbursement levels for home care services provided under Medicaid Managed Care continue to threaten the long-term viability of the home care industry. In recent years, home care agencies have seen their labor costs dramatically increase across the State, due to statewide minimum wage increases, wage parity, and double digit increases in workers' compensation rates. There have also been changes in the Federal Fair Labor Standards Act (FLSA) rule that significantly increased overtime, travel and live-in costs. All these increased costs have been compounded by the pandemic.

Since 2016, HCP and its members have worked with the New York State Department of Health and industry stakeholders to assist the State in the development of a minimum wage implementation process, as well as the formulation of reimbursement rates. Each year since the minimum wage increase went into effect in December 2016, home care providers have struggled to receive timely contract amendments and/or adequate rates of payments from their contracted managed long-term care (MLTC) plans in advance of the new wage levels going into effect.

Without timely contract amendments and monies fully disbursed to home care providers, providers must still meet statutory wage obligations and pay home care workers – whether or not plans distribute funds as they are instructed to do by the State Department of Health. Absent the payment by the plans of State minimum wage funds, the majority of home care providers do not have the financial resources to pay for the wage increase. The result is that agencies must reduce or eliminate home care services, reducing the availability of these essential services to dependent consumers. It is essential that the State improve its oversight of the distribution of minimum wage funds to home care providers so that these disruptions in care or elimination of home care services does not occur.

Conclusion

In closing, HCP emphasizes that home care providers have not had an increase in their basic costs or a trend factor in ten years or more.

Reimbursement rates for the living wage and minimum wage increases do not cover all of the costs of paying for these mandatory labor costs.

Our members could not be prouder of the work they and their staff do on a daily basis to help our frail elderly and disabled citizens.

Cuts are not the answer. The Medicaid system needs revenue. The alternative is people needing service with no way to provide it. That is not a viable alternative to investing in Home Care.

Home Care and those who depend on it cannot, should not, and will not be overlooked.

It is long past due to invest in, bolster and plan for the future of home care in New York. Now is not the time to add more upheaval and uncertainty to the home care industry, as the state is on a course to do with ambiguous policy changes and regulations.

The home care industry is continually asked to reinvent itself without the benefit of consultation by, or knowing the goals of, the State. It is troubling that no conclusive results from past policies have been released publicly or shared with the industry, yet new policies continue to be imposed that have great potential to harm the industry and reduce access to crucial care New Yorkers need.

One thing is clear: home care is the setting of choice for those needing services. COVID has shown this more acutely with residents in congregate care settings leaving to go home or wishing to do so. Data from certain counties indicates that the COVID mortality rate for home care recipients is a small fraction of what it is for nursing homes, or even private residences, and less than half of what it is for assisted living facilities. Patients do better at home.

Rather than developing and implementing policies that create obstacles and restrict access to home care, state policymakers charting a course for the future of long-term care in New York must feature home care prominently as the crown jewel of such a system.

Thank you for this opportunity to comment on the state of home care. HCP looks forward to working with the State Legislature to address the critical needs of the home care industry across the State, in order to ensure access to high quality home care services.

Individuals with disabilities, those with chronic illness and the elderly want to have access to health care services in their homes. Many of the difficulties experienced by home care agencies cannot be resolved without State investment. Now is the time to invest in home care.

<u>Appendices</u>

Letter Urging the Elimination of the Licensed Home Care Services Agency (LHCSA) Request for Offers/Proposals (RFO/P)

NYS Association of Health Care Providers (HCP) Budget Requests

HCP | NYS Association of Health Care Providers
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December 22, 2020

Re: Urgent Need to Eliminate the LHCSA RFO/P

Dr. Howard A. Zucker
Commissioner
New York State Department of Health
Corning Tower
Empire State Plaza
Albany, New York 12210

Dear Commissioner Zucker:

You know all too well as you help lead New York through the COVID-19 pandemic, providers across the health care continuum are facing multiple and varied acute challenges. The home care industry is no different in this regard. However, there is one critical difference that predates the pandemic. Home care has been facing strong headwinds, with decreased rates, increased costs, multiple redundant reporting requirements, strict regulation, a licensing moratorium (now lapsed with no path forward) and requests for offers/proposals (RFO/P) for both the Consumer Directed Personal Assistance Program (CDPAP) and Licensed Home Care Services Agencies (LHCSA), to name a few.

This correspondence largely focuses on the LHCSA RFO/P process that was adopted in the most recent state budget process. To be direct – now is not the time to add more upheaval and uncertainty to the home care industry. Therefore, HCP urges the State to eliminate the LHCSA RFO/P concept, process and implementation. This policy proposal was scored in the budget process as not saving the State any money. It will be harmful to the industry and the patients we serve, creating completely avoidable turmoil, chaos, uncertainty, gaps in care and lack of access to service.

HCP wishes to be a part of the conversation to find solutions and discuss with you the State's goals for the future of home care in New York State. There are a number of viable alternatives HCP recommends if the State is interested in reducing the number of LHCSA licenses. There are several ways to accomplish this, at least one of which is already underway. These solutions ought to be evaluated prior to adding the disruption of a LHCSA RFO/P.

Specifically, the State can:

- Evaluate the impact of actions previously taken to limit the number of contracts MLTCs could have with LHCSAs. Were the state objectives achieved? Why or why not? Should that policy be restructured?
- Eliminate licenses that never respond to statistical reports, registration requirements or cost reports.
- Eliminate licenses under which no patients have ever been served.
- Reinstate the ability for LHCSAs to file closure plans.
- Finally, effectuate the lifting of the LHCSA Licensing Moratorium allowing market forces to spur consolidation.

The home care industry is continually asked to reinvent itself without the benefit of consultation by, or knowing the goals of, the State. It is troubling that no conclusive results from past policies have been released or shared with the industry, yet new policies continue to be imposed that have great potential to harm the industry. The State must share with the industry its goals for the future of home care in New York, rather than simply implementing this RFO/P.

One thing is clear: home care is the care setting of choice for those needing services. COVID has shown this more acutely with residents in congregate care settings either leaving to go home or wishing to do so, if only they had the appropriate resources to provide the support of the home care industry. Data from certain counties indicate that the COVID mortality rate for home care recipients is a small fraction of what it is for nursing homes, or even private residences, and less than half of what it is for assisted living facilities. Patients do better at home.

Rather than developing and implementing policies that create obstacles and restrict access to home care, state policymakers should be charting a course for the future of long term care in New York, which must feature home care prominently as the crown jewel of such a system.

In considering this urgent request to eliminate the LHCSA RFO/P process, HCP highlights for DOH the following reasons for doing so:

- The world will be different post-pandemic. Today's providers who respond to such an RFO/P may not exist post-pandemic obviating the need for this process
- If the goal is lower costs, there are other ways to achieve that. The home care industry has improved efficiencies during the pandemic. In order for the State to reduce administration costs related to home care oversight it could save resources by using: virtual inspections, virtual surveys whereby providers can upload to a secure site all of the required documentation necessary for review, as is currently done by a number of accrediting authorities, and implement the Pennsylvania model of provider self-certifying compliance.
- Managed Long-term care (MLTC) plans, providers and those seeking their services regularly encounter access issues now. How will eliminating providers improve these issues?
- Capacity issues are not indicative of a lack of desire to provide more service. Lack of ability to expand service is due to myriad reasons beyond providers' control and therefore not a reason to eliminate the ability to provide service.
- What have been the State's analyses of the LHCSA moratorium results, statistical reports, cost reports and other such data to inform policy making?
- Exemptions to the RFO/P are already being considered. This is extremely strong evidence that such an approach is the wrong vehicle with which to achieve the State's goals –
    - Nurse Family Partnership, NHTD, TBI
    - Rural impact, cultural competencies
    - Local DSS contracts
    - Single use agreements
- What is to be accomplished by the RFO/P? The RFO/P is not a cost savings measure.
    - How many providers does the State envision in New York?
    - What is the planned geographic distribution? Planned cultural distribution? Service type distribution?

- Consolidation does not reduce costs. Other program consolidations have not reduced administrative costs; take as an example nursing home consolidations.

HCP and its provider members stand ready to discuss the State's policy goals and participate in reimagining long-term care in New York. HCP urges the Department to eliminate the concept, release and implementation of the LHCSA RFO.

In closing Home care is, or recently has been, focused on a new cost report, the annual statistical report, coming increases in minimum wage, implementation of Electronic Visit Verification (EVV), the CDPAP RFO, the on-going pandemic and ensuring that the home care work force and patient population get appropriate priority in the COVID vaccination plan. It is an undue, unfair and an imprudent threat to the industry and those it serves to require the LHCSA RFO/P process to proceed.

Sincerely,

Kathy Febraio, CAE
President

cc: Speaker Carl Heastie
Majority Leader Andrea Stewart Cousins
Assemblymembers Weinstein, Gottfried, and Bronson
Senators Krueger, Rivera and May
Donna Frescatore
Brett Friedman
Mark Hennessy
Carol Rodat
NYS Senate
NYS Assembly

NYS Association of Health Care Providers
Representing Home & Community-Based Care

Home Care. Health Care. Your Care...For Life

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Invest in Home Care

Home Care Saves Money

Home care in New York is significantly less costly than alternatives. Nursing facility daily rate up to $400+, depending on region. Most home care patients require fewer than 44 hours of care per week. With personal care rates generally under $25/hour, total cost of care is less than half of nursing home placement.

Sources: https://www.kff.org; https://www.health.ny.gov; https://www.seniorliving.org

Usage Rates

OVER 300,000 New Yorkers receive Home and Community Based Care through the Medicaid Program.

Source: https://www.kff.org

64%

Turnover in Home Care

Historically, home care has been an industry plagued by sky-high caregiver turnover rates.

Home Care Pulse (2019 Benchmarking Study)

Need for In-Home Care is Critical

The number of adults age 65 and over is expected to increase by 50 percent between 2015 and 2040 in New York; that number is expected to double for adults over the age of 85 during the same time frame.

Source: https://www.health.ny.gov

Greater Dividends

Investment in home care doesn't just help the patients. It helps their families by protecting their health and allowing them to be productive in society.

Care at Home is the Preferred Option

90% of people 65 and older say they would prefer to receive care in their own homes as long as possible.

Source: https://www.aarp.org

The New York State Association of Health Care Providers, Inc. (HCP) is a statewide trade association representing the full spectrum of home and community-based care providers through information, advocacy, and education. HCP represents licensed home care services agencies, certified home health agencies, hospices, fiscal intermediaries and related health organizations. Through a strong network of regional chapters and an active State office in Albany, HCP is a primary authority of the home health care industry.

HCP 2021-2022 Budget Priorities

NYS Association of Health Care Providers
Representing Home & Community-Based Care

Home care. Health care. Your care . . . *for life.*

INVEST IN HOME CARE! PLAN FOR THE FUTURE OF LONG TERM CARE!

Given the shifting demographics in NYS there is a need for increased funding for Home Care—not cuts.
Home care is the care setting of choice for those needing services. COVID has shown this more acutely with residents in congregate care settings either leaving to go home or wishing to do so. Patients do better at home.

Rather than implementing policies that create obstacles and restrict access to home care, state policymakers should be charting a course for the future of long-term care in New York, which must feature home care prominently as the preferred and least costly care setting of such a system.

BUDGET ASKS

Licensed Home Care Services Agency (LHCSA) Request For Proposals/Offers (RFO/P)
ASK: *Eliminate LHCSA RFP/O.*

REIMBURSEMENT/FUNDING
Personal Protective Equipment – Support S.2543/A.179
ASK: *Reimburse providers for the increased cost of Personal Protective Equipment and COVID Expenses.*

Medicaid Global Spending Cap – Support A.226
ASK: *Eliminate artificial Medicaid Global Spending Cap.*

1% Medicaid Cut
ASK: *Reject 1% Across-the-Board Medicaid Cut.*

Quality Incentive Vital Access Provider Pool (QIVAPP)
ASK: *Release 2020-2021 Appropriations and Continue to Fund QIVAPP.*

Health Care Transformation Fund (HCTF) – Support S.2531/A.264
ASK: *Include language in budget to allocate at least 25% of HCTF funding to community-based health care providers.*

WAGES AND WORKFORCE
Minimum Wage – Support Executive Proposed Minimum Wage Appropriation
ASK: *Fund the increase in the minimum wage scheduled for 12/31/2021.*

Minimum Wage Pass Through
ASK: *Include language in one-house budget bill to require MCOs to pass through minimum wage funding.*

Wage Parity
ASK: *Continue to Fund Wage Parity in NYC, Nassau, Suffolk and Westchester Counties.*

ASK: *Eliminate the requirement for an independently audited financial statement in connection with wage parity reporting.*

Recruitment and Retention Funding and Transparency
ASK: *Reject the Governor's Reduction in Recruitment and Retention Funding and include language in one-house budget bill to require MCOs to report to DOH and providers how much funding has been disbursed to them.*

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