

MEMORANDUM

A.7013-B (Paulin)/S.7052-A (Webb)

AN ACT to amend the public health law, in relation to rates of payment for certified home health agencies

Purpose of bill: The bill allows for an increase in the Medicaid episodic rate for certified home health care agencies (CHHA) for costs not reflected in the statewide base rate. It also directs the commissioner of health to make available to managed care plans (Medicaid, Child Health Plus, and Essential Plans) the Episodic Payment System (EPS), along with a notice that EPS is the standard Medicaid payment method.

LeadingAge New York supports this legislation which will provide CHHA services with an updated episodic rate methodology to account for inflation, workforce needs, and regulatory changes, and requires the posting of such rates to ensure adequate payment through Medicaid managed care and other payers.

Certified Home Health Agencies provide critical care to patients who require additional services and rehabilitation therapy after a hospital or short-term nursing home stay, allowing them to receive such care in the comfort of their home. CHHAs provide patients with skilled nursing, physical therapy, occupational therapy, and speech therapy, as well as certain other skilled services, equipment, and supports.

Unfortunately, inadequate payments from government and other payers limit access to CHHA services and drive agency closures. Although demand for CHHA services continues to grow, payments that do not meet the cost of care exacerbate longstanding challenges in recruiting and retaining home health nurses and aides, and restrict access to care and the financial viability of providers. This results in patients going without necessary care, and in some cases, leaves whole communities without access to CHHA services.

According to VNS Health, approximately 25 percent fewer patients received CHHA services statewide in 2023 than in 2019. The Bronx, the Capital Region, and the Finger Lakes have seen a 33-40 percent decline in home health services.

Lack of access to CHHA services often translates to a growth in re-hospitalizations, avoidable nursing home admissions, higher costs per patient, and higher mortality rates.

For the above reasons, we urge prompt passage and enactment of A.7013-B (Paulin)/S.7052-A (Webb).

LeadingAge New York represents over 350 not-for-profit and public long-term care providers, including nursing homes, home care agencies, senior housing, retirement communities, assisted living, adult care facilities, adult day health care and managed long term care.

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