



SFY 2025 BUDGET HOUSE HEALTH CARE



February 08, 2024

Care at Home, Across the Continuum

Health Care	Prevention	Long-Term Care	End-of-Life and Palliative Care
Nursing and Therapy	Health Screenings and Vaccinations	Pediatric and Adult High-tech	Palliative Care
Telemonitoring	Maternal/Child Health	Personal Care	Hospice Care
Wound Care		Homemaker services	Bereavement Services
Care Coordination		Case Management	Respite House

Pressures

- Cost of travelers to preserve access to nursing and therapy services
- IRS Mileage Rate
- Workforce shortages
- Wages, salaries and benefits
- Historically low Medicaid reimbursement and inconsistent rate increases
- 2017-2022: Average PCA wage increased 44%, PCA rate increased 15%

Pressures (continued)

- Medicare margins no longer available to support losses in other programs
 - Migration to Medicare Advantage
 - Permanent Medicare cuts moving to 9.48%
 - January 1, 2023: 3.93%
 - January 1, 2024: 2.89%
 - Expected January 1, 2025: 2.66%
 - Phased-in rollout of the total cut increases the risk of a large clawback – authorized for total cut back to January 1, 2020

SFY 2025 Budget Request

- 100% of Medicare LUPA rates, including an expected update on January 1, 2025
 - Brings skilled home health reimbursement rates to 100% of the Medicare fee-for-service fee schedule (approx. 75% of full Medicare)
- Direct DVHA to develop a methodology to:
 - Compare home health Medicaid rates to Medicare home health prospective payment system (PPS) rates
 - Compare pediatric palliative care rates to home health PPS rates or hospice rates

SFY25 Budget Request: Numbers

	CY24 LUPA July-Dec	CY25 LUPA Jan-June	Total
General Fund	\$253,217	\$260,813	\$514,030
Federal Match	\$347,250	\$357,667	\$704,918
Total	\$600,467	\$618,481	\$1,218,949

Assumptions:

- FMAP of 42.17%
- LUPA increase of 3% on January 1, 2025 (estimated)
- Based on CY2024 estimate from DVHA