

COVID-19 Impact on Home Health and Hospice Agencies

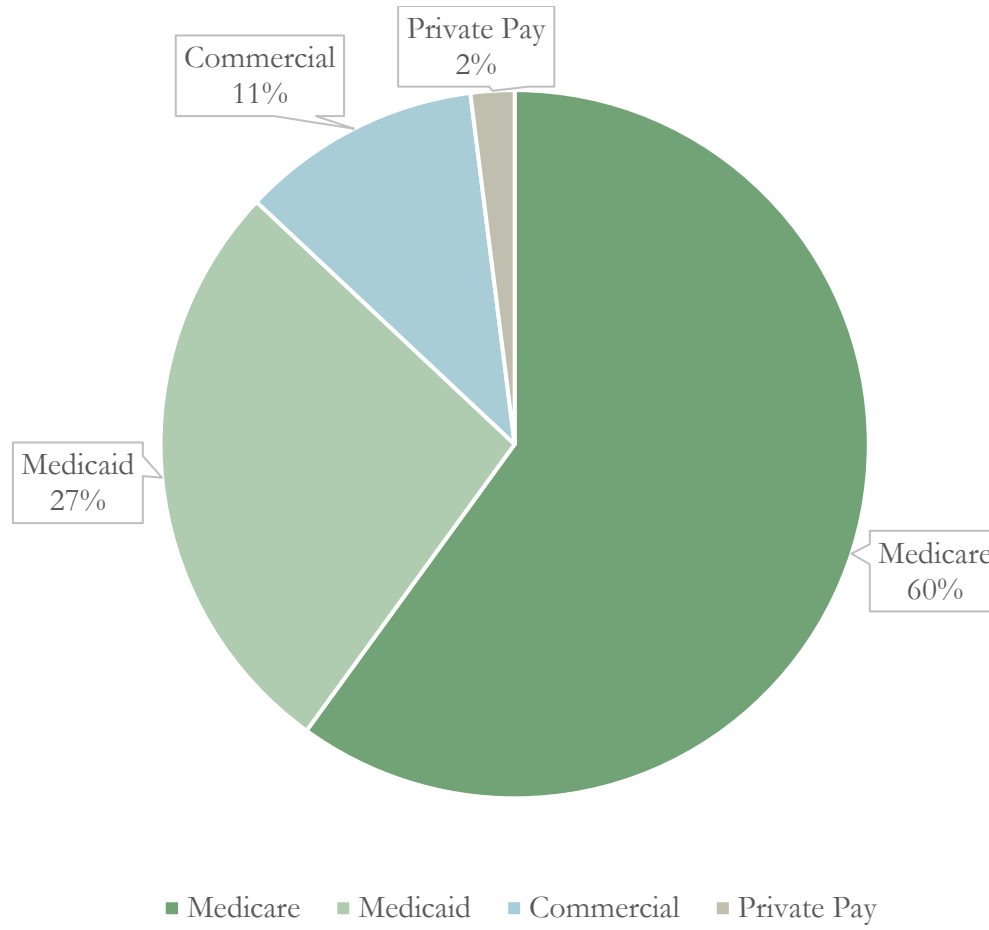


May 26, 2020

Home Health and Hospice Facts

- 9 VNAs of Vermont members serve all 251 of Vermont's towns; service areas set in statute
- Bayada has a statewide certificate of need
- Approximately **a million visits every year** take 6 millions miles of driving to accomplish
- Average **daily census of 8,500** Vermonters
- 2% of Vermont health care spending (GMCB)
- COVID-19 census:
 - April 17: 46 confirmed and 40 “under investigation”
 - May 15: 22 confirmed, and 7 “under investigation.

Payer Mix



Medicare Payment Model

- Bundled payment for 30-day period based on diagnosis and an assessment for 30-day period
- 5 payment variables = 432 possible payment groups
 - Admission Source (community or hospital)
 - Timing (first 30 days or > 30 days)
 - Clinical grouping based on claim e.g., wound care
 - Functional impairment e.g. can the patient get dressed
 - Comorbidity adjustment e.g. heart disease
- Each payment group has a threshold (2 to 6 visit) for full payment; otherwise low-utilization payment adjustment (LUPA)

COVID-19: Impact on Volume

- Some agencies saw an initial spike as hospitals discharged patients and closed outpatient therapy
- Hospital elimination of elective surgeries reduced home health post-surgery volume
- Care limited to “essential” in-person services only (especially impacted case management, therapies and congregate services)
- Some patients and families began to refuse some or all services

COVID-19: LUPAs

- Nationally, 67 percent of all HHAs reported at least a doubling of low utilization payment adjustments (LUPAs)
 - Migration to “blended” episodes - in-person and telehealth – **telehealth visits don’t count toward the threshold**
 - Patient refusal of some (but not all) home health visits

Financial Assistance

- PPP Loans
- Federal provider relief payment: 6% of Medicare revenue; numerous stipulations
 - Vermont provider tax is 4%
 - National survey: 85% of agencies report revenue reductions; median reduction between 15% and 20%
- Medicaid “retainer” payments Phase II
- No Choices for Care rate increase or other assistance to support essential employee retention

Pressures Will Persist into 2021

- PPE costs (1 million “regular” visits a year that now require masks and face shields)
- Minimum wage increase on January 1
- Post-discharge volume may not fully rebound
- LUPAs may remain high; Congressional action on telehealth still uncertain
- Fundraising events cancelled
- Medicare losses reduce agency capacity to sustain Choices for Care losses going forward