



SFY25 BUDGET HOUSE HUMAN SERVICES



January 09, 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

Pressures (continued)

- Elimination of Home Health Choices for Care Case Management Services
 - Transition already underway as case managers respond to the announcement that their roles will be eliminated
 - Substantial programmatic and service concerns
 - Substantially increases the budget pressure of the Choices for Care program on home health agencies
 - Positive case management margins partially offset direct service losses
 - Less total revenue to support the indirect costs of running the program

SFY Budget Request

- Follow-through on second year of three-year commitment to implementing the February 15, 2023, DVHA rate study.
 - Second year for home-based Choices for Care would be approximately \$500,000 GF, \$1.2M total
 - Home health agencies are one part of a larger long-term care system that needs support at all levels, including a process for regular rate updates