



Commentary: The ripple effect of our home health staffing crisis



The whole medical system feels the effects of a shortage of home health care workers.

Dan Savitt, CEO and President of VNS Health, March 15, 2023

An 88-year-old woman is in the hospital after falling at home and injuring her leg. The hospital treats her injury, diagnoses her with hypertension and diabetes, and refers her to home health care to treat her wound and support her rehabilitation. But no home health agency takes the referral, so she stays in the hospital for an extra week — even though she no longer requires hospital care. The hospital, which has patients lined up in the hallways of its emergency department, cannot use that bed for a new patient.

Hospitals are increasingly trying to discharge more and sicker patients to home health care. Referrals from New York hospitals were up 79 percent from 2019, but agencies are rejecting more and more of these referrals — they accepted only one out of every four referrals last year, down from 43 percent in 2019, based on data analyzed by WellSky.

VNS Health, the nonprofit home and community health organization that I lead, provides about 12 percent of the state's home health care, and has had to turn away more than 11,000 hospital patients because we lacked the staff to care for these New Yorkers in need. That's more than a ninefold increase from 2019.

This inability to discharge to home health directly impacts patient health and hospitals' bottom line. This inability to discharge to home health directly impacts patient health and hospitals' bottom line. The average time patients referred to home health care spend in the hospital increased 9.2 percent between 2019 and 2022; it's now 8.2 days in New York — more than a day higher than the national average, according to WellSky.

Meanwhile, patients who need home health care but go home without it are more likely to end up back in the hospital. One recent study found that patients who receive home health care are 60 percent less likely to return to the hospital after 30 days. Every bed occupied by a patient who cannot be discharged, or who is readmitted, is a bed denied to a new patient, adding up to millions in lost revenue for hospitals and jeopardizing patient health.

Why is this happening? Home health agencies cannot recruit and retain enough nurses to care for the growing patient population. While most home health agencies (including VNS Health) have recently raised wages, reimbursements are not keeping up. Annual health care costs increased 7.7 percent last year, but Medicare reimbursement, about half of the revenue for home health agencies, is largely flat in 2023 and is expected to decline. Meanwhile, Medicare Advantage, Medicaid, and commercial insurance plans typically pay much less than traditional Medicare. That's why 75 percent of New York's home health agencies had negative margins in 2021, and the average margin was negative 22 percent.

Last year, Gov. Kathy Hochul prioritized growing the health care workforce by 20 percent over five years. The final budget included one-time bonuses for much of the health care workforce, significant wage increases for 6,500 state government nurses, and a much-needed wage increase for home care aides. This year, the budget proposes a 5 percent Medicaid rate increase for hospitals and nursing homes to fund wage increases (hospitals and nursing homes are advocating for higher increases).

Home health agencies and their staff cannot be left behind. Hochul and the Legislature should provide funding to help agencies recruit and retain more front-line workers, particularly in "home health deserts" already hit hard by health disparities. Funding would support direct payments to workers, student loan repayment, transportation to patients' homes, and home health nursing degree and residency programs.

This investment enables home health agencies to hire more staff to take more patients out of hospitals. Hospitals will be able to free up beds for new patients, earning more revenue. And most importantly, tens of thousands of seniors and people with disabilities, particularly those in communities that lack health care resources, will get the home health care they need and deserve.

Dan Savitt is president and CEO of VNS Health, one of the largest not-for-profit home- and community-based health care organizations in the United States.

The Times Union is a daily newspaper serving the capital region of New York. It provides readers with the latest news, weather, entertainment and sports information. It reaches an audience of 1,476,897 through print, online, and social media.