

New York Home Health Agencies Facing \$200 Million in 2020 Losses Due to COVID-19

By **Bailey Bryant** | May 31, 2020

From a financial perspective, home health agencies nationwide are struggling to provide care amid the coronavirus. Providers are juggling lower patient volumes and a lack of telehealth reimbursement while also navigating astronomical personal protective equipment (PPE) prices and increased low utilization payment adjustment (LUPA) rates.

In New York, those factors and others are expected to cost home-based care providers \$200 million in 2020 losses, according to financial estimates by the Home Care Association of New York State (HCA-NYS).

As such, the organization wrote to New York Sen. Chuck Schumer to demand additional financial support for home health organizations in the next federal aid package — with priority for those operating in New York.

“These losses have alarming implications for the viability of New York’s home care system and the necessary support it provides for patients,” Roger Noyes, director of communications at HCA-NYS, told Home Health Care News. “New York has been at the epicenter of the COVID-19 crisis, and this direct impact in New York must be recognized in federal aid decisions.”

HCA-NYS represents nearly 400 members across New York state, with providers including Medicare-certified home health agencies and Medicaid-licensed home care agencies, among others.

The organization estimates that those agencies and others in the state will be among the home health industry’s hardest hit, as New York City and the surrounding areas spent weeks as the country’s coronavirus hot spot.

Take the Visiting Nurse Service of New York (VNSNY), for example. The home- and community-based care provider and health plan serves more than 44,000 people, most of whom live in and around New York City.

To date, VNSNY has cared for more than 2,000 COVID-19 patients, while other types of admissions have seen a “major decline,” according to Vice President of Government Affairs Dan Lowenstein.

“This has come at an enormous financial cost,” Lowenstein told HHCN in a statement. “Our projected home health losses are a minimum of \$27 million through July and as high as \$82 million if a second wave of infections materializes later this year.”

Lowenstein went on to call the money VNSNY has received so far as a result of the CARES Act Provider Relief Fund “woefully inadequate,” noting that home health providers have not been afforded the same additional COVID-10 “hot spot” funding that hospitals have.

To ensure home health providers like VNSNY remain viable as the coronavirus rages on, HCA-NYS is supporting the National Association for Home Care & Hospice (NAHC) in its advocacy to secure a 15% Medicare rate adjustment for

home health agencies.

On top of that, HCN-NYS is taking things one step further, asking Congress to put New York state home health providers first in line for the next round of federal aid.

“We need the NY delegation action to include, by whatever acceptable method, a priority fiscal aid target of \$200 million for our state’s home health agencies,” HCA-NYS President and CEO Al Cardillo wrote in his letter to Sen. Schumer, a Democrat. “We appeal to you to work with congressional colleagues to provide for this urgent constituent support.”

To reach the \$200 million 2020 loss projection, HCA-NYS surveyed a sample of higher-volume home care providers in New York City, where the virus hit the worst, then trended the data using statistics for total home care service volume statewide.

“This is weighted for areas known to be hot spots across New York State, recognizing that not all regions of the state are equivalently impacted,” Noyes said.

Still, federal action to offset the statewide losses is essential to the health and safety of about 800,000 home health patients and more than 210,000 home health workers and providers, he said. VNSNY concurs.

“We urge Congress to provide adequate financial relief to New York home health agencies on the frontlines in the next COVID relief package,” Lowenstein said.