

Taking action to address pressing home care challenges



Jim Rolla and Stephen Vaccaro, March 30, 2022

A scarcity of home care workers since the pandemic plus historically low wages equals a serious problem. Not only are home care agencies struggling to fill their employee rosters, they're facing an aging population that will increase demand for their services by 37% in the next five years.

Ensuring patients receive the care they need requires action now. And it will take a three-fold approach that includes increasing hourly wages, developing sustainable funding and reimbursement models, and offering innovative training and technology to help recruit and retain caregivers and additional employees.

Raises and reimbursement

The pandemic put tremendous pressure on home care workers. From caregiver shortages and changing regulations, to new technology adoption and implementation, home care agencies and their caregivers have had to quickly adapt to changing needs and expectations, while continuing to provide quality care to a mass increase of patients in the home. As a result, many suffered burnout and left the profession to seek higher-paying jobs in other sectors. This exodus led to an industrywide workforce shortage within home care agencies around the country, including the team at VNS Health in New York, which needed to fill a gap of 2,000 new caregivers in the wake of the pandemic.

The federal government, however, is hoping to curtail home care workers' exits through the American Rescue Plan Act (ARPA). The act's stimulus package provided \$127 billion for certain Medicaid expenditures related to homecare and community-based services (HCBS), which gave states a unique opportunity to invest in hiring and leveraging technology to facilitate better care.

In their approved HCBS investment plans, states expect to spend between \$31.6 million and \$4.63 billion in combined state and federal funds on activities to enhance, expand or strengthen HCBS under Medicaid. A portion of these funds will be allocated for recruitment and retention bonuses, pay increases, and developing certification and training programs aimed at retaining and attracting homecare workers. However, these spending plans are only in place through March 2025, which could simply push problems further down the road unless more permanent changes are implemented.

VNS Health's home state of New York, for one, appears to be looking at the big picture. It was the first state to increase home care wages. A \$2 hourly minimum wage increase took effect October 1, 2022, with another \$1 per hour to be added this October. Even now, after the mandate took effect, there is still confusion about reimbursements. Home care agencies have been left to figure out how to fund the wage increases themselves, while many believe this increase is not significant enough to impact recruitment.

Recruiting and retaining

Since adding a few dollars to hourly wages may not be sufficient to solve all of the industry's challenges, home care agencies must find creative ways to fill the gaps in the workforce and keep their existing caregivers from leaving. Establishing a solid onboarding program that sets a strong foundation for employees is a solid start, and can be built upon with a focused and instructive orientation to provide employees with the basics they need to be successful caregivers. Caregivers should also be equipped with self-care tips and grief training to counteract aspects of the job contributing to burnout.

Continued training is also critical. A recent study showed that agencies investing in more training hours generate considerably more revenue. Those offering eight hours of orientation and 12 hours of ongoing training increased their agency's annual revenue by \$6,814 per caregiver. Training also benefits caregivers by raising job satisfaction levels and confidence, providing skills to help them move up the career ladder and improve care outcomes.

Training was an important component for VNS Health, as the agency sought to hire new caregivers and let existing employees hone their skills post-pandemic. But the state didn't allow much flexibility beyond traditional in-person classroom training. Knowing that wasn't optimal for all employees, VNS Health lobbied the New York Department of Health (NYDOH) and received approval to offer virtual training via online platforms. The innovative online training offering enabled the agency to set itself apart, attracting new employees and keeping them engaged and passionate about their work, making VNS grateful to the NYDOH for the opportunity to harness a new approach. In addition, the online in-service education solution was very successful, paving a path to compliance while saving funds and time.

Strong onboarding and training will factor into performance, so agencies should also consider rewarding caregivers for jobs well done. Incentive programs and platforms — such as ones that award points for being on time, tracking patients' conditions and other qualitative measures — can empower caregivers. Those points can then be cashed in for rewards, such as gift cards to local restaurants or a spa day, which make caregivers feel appreciated and help alleviate burnout.

Challenges associated with caregiver shortages are not going away anytime soon, given last year's turnover rate of 64% and an aging population heavily driving demand for homecare services. To bridge this gap and develop long-term solutions to build a strong workforce, homecare agencies must advocate for change now.

It's time considerations went beyond raises to spur the re-evaluation of home care service reimbursement strategies and new approaches to training. Coupling those efforts with incentives to boost recruitment and retention will better prepare the industry to meet the needs of patients now and well into the future.

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