

## MEMORANDUM

A.7460-A (Paulin)/S.4791-A (Rivera)

### *An act to amend the Public Health Law, in relation to payment for certified home health agencies*

Purpose of bill: Provides increases in the rates of payment for certified home health agencies; directs the commissioner of health to establish minimum standards and a minimum benchmark for home care service payments by any Medicaid payor.

LeadingAge New York and its not-for-profit, mission-driven members support A.7460-A (Paulin)/ S. 4791-A (Rivera). LeadingAge New York is a 400-member association of not-for-profit and public long-term care providers representing all provider types on the long-term care continuum, including certified and licensed home care agencies. We support this legislation's goal to increase the Medicaid episodic rates for certified home health agencies (CHHAs) and establish a minimum benchmark for Medicaid payers and for consideration by other payers, based on the Medicaid episodic rates.

New York's CHHAs are a critical part of the health care system providing home health services (skilled post-acute care, social work, therapies, and home health aide care) to hundreds of thousands of homebound individuals to treat medically complex conditions, and deliver post-hospital care ensuring proper recovery of its patients. They are an important part of the health care system helping to reduce hospitalizations and readmissions, as well as supporting safe discharges from hospitals and nursing homes, which frees up hospital and nursing home beds for others who need them.

Medicaid rates continue to be unsustainable for CHHAs, and negotiated rates for care are far below agency costs. Without a change in reimbursement, many agencies will continue to see negative operating margins and unsustainable losses. This is causing a loss of home health capacity. Several CHHAs have closed in recent months and others have indicated their intent to close. The increased demand for home care, lack of staffing to deliver care, and the increased financial pressures from inadequate rates result in lack of access to care for communities, families and patients who need it.

This bill provides a 10% increase in the base episodic rate and in individual rates exempt from episodic payments, in order to ensure sufficient payment for home care services. The bill also allows for additional increases for inflation, regulatory requirements and staff recruitment and retention needs. CHHAs have not seen a payment rate trend adjustment in over 13 years though costs have increased significantly. This bill will also require the establishment of a minimum benchmark rate as a standard for payment. CHHAs need adequate rate support to ensure individuals and communities have access to the services they provide.

**For the above reasons, we urge support for passage and enactment of this important legislation.**

*LeadingAge New York represents over 400 not-for-profit and public long term care providers, including nursing homes, home care agencies, senior housing, retirement communities, assisted living, adult care facilities, adult day health care and managed long term care.*

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