



Home Care Alliance of Massachusetts
Written Testimony
Re: Proposed Regulation Changes 101 CMR 350.00
February 24, 2023

Introduction

The Home Care Alliance of Massachusetts, “the Alliance”, is submitting this public comment on behalf of nearly 190 home health, home care and hospice providers delivering vital services to residents of the Commonwealth in their communities. It’s important to note that the proposed 101 CMR 350.00 rate regulation was presented and is now being considered at a time when the health care delivery system is emerging from the COVID-19 pandemic. The pandemic has fundamentally altered the way health care is delivered and received across the country. It’s important that the programs, reimbursement, and policies adjust to keep pace.

The Alliance would like to acknowledge and commend the Department’s commitment to home and community-based services from the outset of the pandemic. Swift action was taken to implement immediate 10% rate add-ons for home health services and scores of flexibilities and waivers that were all aimed at enabling people to stay home at a time when our hospitals were overloaded and skilled nursing facilities weathering severe outbreaks. As a result, health care users have shifted how they think about the delivery of their care, and how policymakers administer and design various programs.

This shift in sentiment was met head on by historic changes in the labor market, macro-economic pressures and changing sentiment among health care workers across the system. While the proposed regulation under consideration does include a significant investment to improve access to home health aide and therapy services, it greatly fails in its proposed 2.27% increase to nursing rates.

A combination of programmatic changes, pandemic-fueled workforce challenges and insufficient reimbursement, has led to a steady decline in access to MassHealth Home Health Services for thousands of members across the commonwealth. This is both an immediate short-term issue and a mounting long-term crisis for the entire health care system.

Nearly a year ago at the Rate Review Listening Session for these rates, the Alliance urged the department and CHIA to analyze referral denial trends across agencies serving MassHealth members. It was also recommended that an analysis of recent increases in transportation, housing, childcare, and overall inflation be undertaken. It’s hard to believe, with the proposed 2.27% increase to nursing rates, that any such analysis was conducted. And had it been, it would show a steady increase in the number of referrals that agencies turned away per month as delivery of care in this program has become increasingly challenging and access declining.

We hope that our comments on this proposal will help the Department better understand the dire environment on the ground and compel reconsideration of these changes to final promulgation of 101 CMR 350.

Services of Home Health Aide (G0156) and UD Modifier Rates

Over the past decade, access to home health aide services has been steadily declining across all Executive Office of Health and Human Services (EHS) programs. A number of factors have led to this, including recently scheduled increases to the State’s minimum wage, which closed the gap between wages offered in retail and wages that home care and home health providers are able to offer under the State’s reimbursement structure. In addition, more competitive wages for similar professions in other health care settings have continued to draw this workforce away from home care and into facility-based opportunities.

The rate setting process directly impacts and determines the ability of our providers to retain and recruit sufficient staff to meet the Commonwealth's need to ensure the provision of home health and home care services to vulnerable elders, persons with disabilities and children and individuals with medically complex needs. Currently, home care agencies do not have the resources, or the workforce needed to meet the surging demand for safe, in-home care. Today, more than 4,000 seniors in Massachusetts are waiting to receive home care services, due to a lack of home care workers in the State Home Care Program. A recent report from June of 2022 showed that 4,524 older adults were approved to receive services, but are waiting for home health aide, homemaker/personal care homemaker services. Of those consumers waiting for home care services, 924 are receiving some services, while 3,610 are waiting for ALL approved services, meaning they are not receiving any home care services. This is an Executive Office of Elder Affairs administered program, but the Aging Service Access Points (ASAPs) ability to purchase home health aide services is directly tied to the home health aide rate that's set under this regulation.

Although the Alliance is pleased with the proposed 22.8% increase to home health aide rates, we urge the department to closely monitor these different factors impacting home health providers' ability to attract and retain this workforce. It's critical that rates for home health aide services are adjusted regularly and maintained at a level that can support an agency's ability to retain and recruit employees and compete with opportunities in retail and facility-based opportunities. It's also imperative that these rates are adjusted in conjunction with adjustments to rates for similar services. When rates are adjusted independently of one another, the workforce simply migrates to the highest-paying setting, leaving home care providers unable to compete. Without a consistent, adequate, transparent provider rate adjustment through the state's rate-setting process, the Home Care Alliance and its membership has been forced to seek temporary rate add-ons through the legislative and budgetary process to mitigate the immediate workforce crisis. This has forced providers to rely on a series of General Appropriations Act rate add-ons to keep them competitive in the home health aide market. This has also put a strain on EHS having to implement these add-ons.

Services of Physical Therapy (G0151), Occupational Therapy (G0152), and Speech Language Therapy (G0153) Rates

The Alliance also appreciates the significant investment in proposed therapy rate increases. But it comes at a time when many home health agencies in the MassHealth network are simply not providing therapy services because they cannot offer competitive compensation for therapy staff under current regulation. And while significant, these increases still fall far below the median direct costs to agencies who provide therapy services. According to 2020 NSR data, median direct costs for PT, OT, and SLT visits were all over \$120 per visit. The Alliance does not believe these increases will result in higher utilization of therapy services, making MassHealth members' access to therapy services severely limited compared to access in other settings and other payors.

Services of a Clinical Social Worker - Recommendation

The Alliance recommends that the department consider adding a Social Worker (SW) service code to this regulation. This would align the MassHealth Home Health Benefit with Medicare, which does reimburse and offer access to Social Worker services. At present, in lieu of reimbursement for SW services, the MassHealth member is going without the service or agencies are left trying to provide

some social worker services without reimbursement, relying on nursing staff to execute a small part of the social worker function.

As nurses are already scarce, stretched thin and overworked, social worker responsibilities and case management activities represent a large portion of their time. Furthermore, while nursing staff are often capable of identifying many of the needs of the MassHealth member population, they are not trained Clinical Social Workers. This is not only over burdening nursing staff with duties beyond their roles as nurses, but it's also preventing access to SW services to MassHealth members. MassHealth members often have housing and food insecurities and needs beyond the home health benefit that a Social Worker can assess, identify, and assist in securing. As of today, this responsibility falls on the nursing staff, which again goes beyond their stated duties. Establishing this service and investment would yield a great benefit to MassHealth members and the Commonwealth in broadening access to needed services beyond this benefit.

Services of an RN/LPN in home health setting (G0299, G0300, T1502, T1503 and UD Modifiers)

Since the beginning of the pandemic, the U.S. has seen hundreds of thousands of nurses retire or resigned from their positions. Combining this with lack of nursing school capacity to meet future need, burnout, and other pandemic-related factors, has resulted in grim outlook for the pipeline of new nurses, threatening access to all types of services. Home health agencies report that they are no longer competing with other agencies for staff, the staff are leaving the industry altogether. Much of the competition home health agencies face is still with higher paying facility-based opportunities or travel nursing agencies. But due to a lack of sufficient rates to compete, it's increasingly commonplace to find nurses changing careers or working remotely for insurance companies conducting authorizations. You would be hard-pressed to find a Home Care Alliance member who is fully staffed.

Simply put, this translates into a severe reduction in access to home health nursing services to MassHealth members. By the Alliance's estimate, upwards of 1,000 MassHealth/MCO referrals are being turned away by home health agencies every month. Several agencies report over 200 referrals being turned away each month. The reason is simple: lack of resources and staffing.

In a [report released by the Massachusetts Health and Hospital Association](#) in January of 2023, of 37 hospitals reporting, 891 patients were awaiting discharge. Of those, 200 were awaiting discharge to home health, 22.4%. The report also reveals that 38% of these patients awaiting discharge to home health in January, have been waiting for over 30 days. In June 2022, that number was only 9%.

While it's important to acknowledge that this survey encompasses all insurers, undoubtedly, the cost to MassHealth for patients awaiting discharge in the hospital setting for over 30 days far exceeds any projected cost of home health services, had there been adequate resources to return these patients back to the community. [According to Kaiser Family foundation](#), the average inpatient hospital stay in Massachusetts is \$3,377 per day. For a patient awaiting discharge for 30 days, this would total \$101,310. For patients with severe mental or behavioral health illnesses, one Alliance member's Patient Ping data shows somewhere between 4 and 6 hospitalizations per year for this population with a typical length of stay of 11 days. At an average of 5 rehospitalizations per year and 11 days per stay, total yearly hospitalization expenditures for this patient are \$185,735. Compare this to approximately \$25,000 for an entire year of home health services under this program's current rates (assumes 1 full nursing visit authorization and 6 MAV visits per week).

Agencies are also experiencing challenges in different geographic regions of the state. In the eastern region of the state, the pressures of high-paying Boston area hospitals and insufficient MassHealth Home Health rates, make it difficult to incentivize nurses to make visits in communities with higher crime rates. In less population-dense regions of the state, lack of staffing combined with increased drive time and fuel costs make it difficult for an agency to create sensible service routes for clinicians. This makes it difficult for agencies to continue serving these areas, let alone broaden access.

This is translating into shrinking service areas and a further reduction in access across the state. One member agency reported that in January 2020 it was caring for patients in 187 towns and cities. As of today, only 106. That's a 43% reduction in service territory. Not only are agencies unable to *expand* their services by accepting new referrals, but they are also having to reduce services to existing clients due to staffing shortages.

We acknowledge that some of these challenges are out of MassHealth's control. The increase in inflation, fuel costs and labor market wage pressures are certainly not a direct byproduct of insufficient MassHealth rates, but rates have not increased to keep pace with growing costs. While the American Rescue Plan Act (ARPA) rate enhancements that have been in effect for two years, help to mitigate some of these pressures, they were effectively swallowed up by rapid increases to nurse salaries in Massachusetts since 2020. On top of all this, residents of the Commonwealth are facing an ever-growing cost of housing in Massachusetts. A recent [Boston Globe report](#) noted that before the pandemic, a family making \$100,000 per year could afford to buy 37% of homes available in the state. Today, they could only afford to buy 12%. In Boston, it's only 6%. This only adds to why home health agencies are struggling to compete against higher-paying settings, let alone remote work opportunities, or states with more affordable housing and lower costs of living that many people are fleeing to.

In the face of all this, this proposed regulation would only implement a 2.27% increase to all nursing rates in the program. Despite CPI inflation hitting a decade high of 9% in June 2022, and is currently at [6.4%](#), compared to the historical average of 3.29%.

Since 2014, average MassHealth reimbursement for nursing services has **decreased 7.6%** – from \$75.33 in 2014 to \$69.58 in 2022 (including ARPA enhancements). Over that 8-year period, CPI inflation increased 19.9% and the average wage for a home health nurse in Massachusetts increased by 22.8%, according to data from our annual compensation surveys. These factors are why we are seeing a reduction in service area, a reduction in accepted referrals, an increase in workforce turnover and the ultimate outcome of a decrease in access to services.

There have been several programmatic changes that have led to this unsustainable dynamic. Implementation of a prior authorization (PA) process that aimed to curb abuse and over-utilization of this program. And – the creation of a Medication Administration Visit (MAV) was implemented at a far lower reimbursement rate than the full nursing visit rate. Aside from the merits of these changes, they required provider agencies to build costly operational infrastructure to process authorizations. This represents a new indirect cost that must be recognized in an adjustment to the reimbursement rate.

In addition, lack of clarity and disputes over what warrants a full nursing visit versus a medication administration visit has created a constant back-and-forth between providers and the authorizing entity. Although this comment period is focused on the proposed rates, it's important to understand the services within the regulation and how they are delivered in the field.

When MassHealth implemented a separate MAV rate in 2018, the rate was arbitrarily set at 66% of the full regular SN visits rate. At the time, MassHealth asserted that MAV visits were 1/3 shorter than other nursing visits, and the new lower rate was set to reflect that. However, the MAV rate fails to account for the fact that these visits carry the same amount of administrative costs in terms of prior approvals, pre- and post-visit case management and documentation, and travel time as full nursing visits. Furthermore, agencies report that a high percentage of MassHealth patients are on several medications, including a very high percentage of patients with multiple mental and behavioral health diagnoses. These patients require careful assessment of the effects and interactions of their medications. Visits to these patients are never a simple med pass. We believe that setting the MAV rate at 66% of the full visit rate disincentivizes agencies and nurses from providing appropriate and safe levels of patient assessment. Nurses have a duty to fully assess patient needs when they enter the home regardless of who the payor is, or what type of visit classification the prior authorization entity deems.

But the rate regulation is not currently designed this way. Instead – it’s designed with a structural implication that these visits be fast, with minimal assessment and a medication pass. This puts the nurse in a difficult predicament. Of all nursing visits in this program in 2022, 74.2% were for medication administration. Only 4.3% were full nursing visits. In 2019, 64.9% of nursing visits were MAV. An almost 10% increase in MAV visits in 3 years.

This begs a question of what has changed about the patient population that’s steadily reducing their access to full nursing visits? Especially when all the evidence points to the fact that home health agencies are increasingly seeing patients with higher acuity and complex needs.

MassHealth must work to better delineate between what qualifies as a medication administration visit versus a full nursing visit. We also believe that MassHealth must also recalculate the rate differential between the regular full SN visit rate and the MAV rate. We believe the MAV rate should be set at 75% of the full nursing rate rather than 66%.

To realize the full value of home-based nursing services for MassHealth members, the department must commit to broadening the population’s access to services they deserve and need. A deterioration of access to these services will continue to put the population at risk of repeated hospitalizations throughout the year, an extremely costly alternative.

Recommendation and Conclusion

With all of this in consideration, the Home Care Alliance strongly recommends the Department reconsider its proposed rate adjustments to nursing rates. It’s our belief that a rate increase of no less than 15% above the existing effective rates (with ARPA enhancements) is warranted to quell the mounting crisis our state’s health care system is facing.

We propose the following rate structure for nursing visits:

G0299/G0300:	\$112.85
G0299 UD/G0300 UD:	\$91.46
T1502/T1503:	\$84.64

Using the hospitalization expenditure examples earlier against these proposed rates, under the Alliance proposed rate structure, the total cost for an entire year of home health services for a patient would be \$32,275 annually (1 full nursing visit/wk and 6 MAV/wk). A significant cost savings compared to repeated hospitalizations that total almost \$200,000 in lieu of sufficient home health services. And this does not account for the fact that expanding access through adequate reimbursement *should* reduce the risk of hospitalization, resulting in additional cost-savings to the Commonwealth.

Our understanding is that the NSR reports used to assemble the proposed regulation were from 2020. We believe this data does not accurately capture the increased direct and indirect costs of providing care to MassHealth members. Increases in wages, transportation, cost of living, inflation and recruitment costs have all skyrocketed in the past two years. Increasing these rates above the effective ARPA enhancements by only 2.27% will do nothing to improve access to these services.

Instead, we will continue to see patients waiting in hospitals for discharge and further reductions in service areas which will create inequities across the state. All of these outcomes come at a severe cost. Not just a monetary cost to the Commonwealth's taxpayers, but a cost to the MassHealth members in this program who deserve to live at home in the community safely with adequate access to nursing, aide and therapy services.

We appreciate the opportunity to submit public comment on this proposed regulation and look forward to continued discussions with the department.