

ABOUT

The Wisconsin Association for Home Health Care (WIAHC) is a membership-based association that represents home health care agencies and their staff. WIAHC helps to support the common interests of its members to promote home health care as a quality, cost-effective health care option in our state. In Wisconsin there are over 14,000 home health employees that have garnered \$386 million in wages.

Home health care comprises a variety of health care services that can be provided in a patient's home to address an illness or injury. Services are provided for cardiac and pulmonary care, neurological rehabilitation, intravenous therapy, wound care, pain management, chronic disease care, and medication management.

BY THE NUMBERS

CMS data from nine states shows that home health agencies save at least \$378 million by reducing hospitalizations. When home health is the first post-acute care setting, studies found a cost savings of \$5,411 per person among the Medicare population. In a 2017 survey among Wisconsin Hospital Association members, survey responders indicated that there were 42,000 avoidable hospital stays due to barriers that prolong patient stays when a patient is medically ready to be discharged. Additional data shows home health services lead to:

- **26%** fewer acute care hospital admissions
- **59%** fewer hospital bed days
- **19-30%** in total medical cost savings

Over 14 million Americans receive home health care services through public, commercial, and private pay. In 2025 an additional 1.3 million people will require home health services.

ISSUES

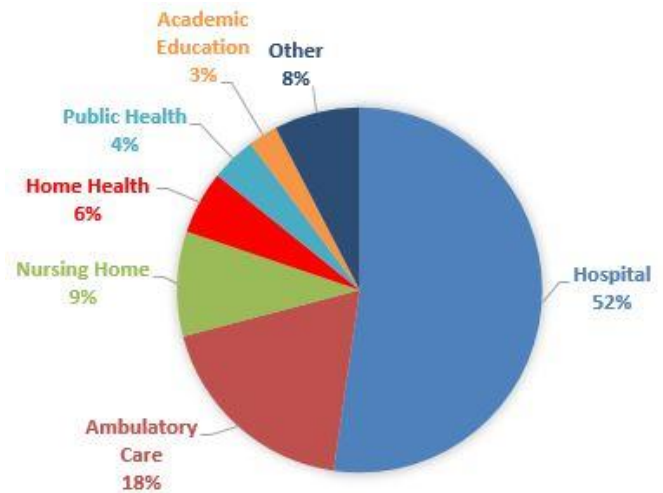
Workforce

Workforce availability is an ongoing issue for the healthcare industry. Unfortunately, home health agencies regularly lose highly skilled nurses to other sectors, mostly due to compensation potential. In Wisconsin, RNs are disproportionately represented in nearly all other areas within the healthcare industry.

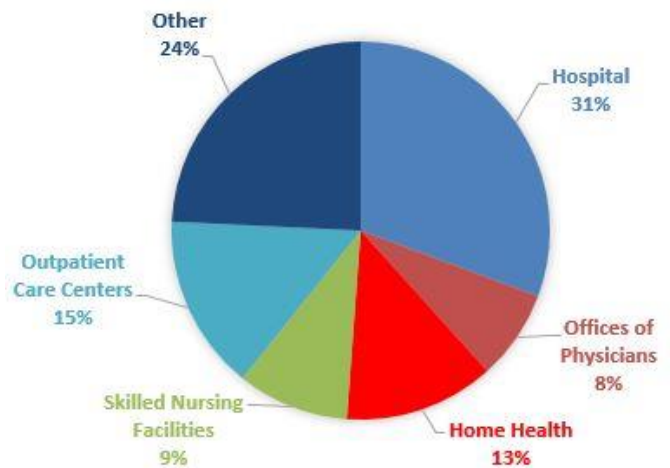
Wisconsin is also well below the national average when it comes to RNs working in home health settings. RNs working in home health settings make up just 6% of the total nursing workforce in the state, according to the Wisconsin Center for Nursing.

Nationally, RNs working in home health settings make up nearly 13% of the total nursing workforce, according to the Bureau of Labor Statistics.

Wisconsin is lagging behind the nation in ensuring home health can adequately compete for staffing against other sectors of the healthcare industry. Due to Medicaid rates in Wisconsin, home health agencies pay below the state average for the same position across other sectors of the medical industry.



Wisconsin RN Employment Distribution



National RN Employment Distribution

Reimbursement

Wisconsin's Medicaid reimbursement rate for home health services has increased **0%** for over a decade. While over that same time period healthcare inflation has grown **32.3%**, Low Utilization Payment Adjustment (LUPA) rates, which are federally-calculated Medicare averages, have increased by **26%**, and Medicare rates average **\$125.00**, Medicaid reimbursement for home health services has remain at a stagnant **\$85.54** per visit. This rate places undue strain on home health agencies and skilled nurses.

Current Medicaid reimbursement levels make it difficult to operate home health care agencies, retain essential workforce, and adequately serve Wisconsin's home health care patients. The chart below illustrates the financial strain placed on home health care agencies by showing the slim margins home health agencies experience under the current reimbursement levels.

	Current Medicaid Rates
Position	Skilled Nursing
Medicaid Rate	\$85.54 per visit
Average Direct Hourly Visit Rate	40.00
Health Benefits(family)	7.31
FICA	3.06
FUTA	0.32
SUTA	0.80
401k	0.40
Licensure/Medical Waste/Backgrounds/ Supplies	1.00
Workers Comp	1.20
Direct Care Cost	54.09
Administrative/Indirect Cost: Training (orientation, in home family teaching, in home nurse orientation, on-going mentoring, ventilator training/certification, Rent, Taxes, Utilities, Non-billable clinical management and oversight, Specialty teams including billing, HR branch management support, Equipment, Office supplies, Telephone, Postage, Record Storage, Recruitment, Scheduling, Customer Service, Benefits, Regulatory Fees, etc.	29.08
Net Hourly Gain/Loss	2.37

Goals

- Incentivize home health care agencies to take Medicaid patients.
- Create more capacity for care by attracting more nurses into the home health care industry.
- By incentivizing care for Medicaid patients and increasing capacity for home health care by attracting new workforce, the state could reduce dependency on expensive care facilities for post-acute care. The Wisconsin Hospital Association, 2017 survey indicated there were 42,000 avoidable hospital stays due to barriers that prolong patient stays when a patient is medically ready to be discharged.

Investment

Invest an additional \$710,000 all-funds (**\$290,000 GPR**) in the first year of the biennium and \$740,000 all-funds (**\$300,000 GPR**) in the second year of the biennium to achieve these goals.