

# Limited Workforce Leads to Limited Care Capacity

## *Wisconsin Home Health Agencies Struggle After 10 Years of Stagnant Rates*

Wisconsin's home health care agencies provide high quality, cost effective skilled nursing care for individuals recently discharged from a hospital or skilled nursing facilities. Operating in rural and urban communities throughout the state, home health care agencies provide health care services including skilled nursing, physical therapy, occupational therapy, speech therapy and home health aide in a patient's home. Home health care services address a variety of health issues, from pulmonary care and neurological rehabilitation to intravenous therapy, wound care, and chronic disease management.

This convenient quality healthcare is also cost effective and reduces the financial burden for patients, private insurance, and public payers. In fact, when home health is the first option utilized after discharge from a hospital, studies found a cost savings of \$5,411 per person among the Medicare population. Additional data shows home health care services lead to 26% fewer acute care hospital admissions and 19-30% in total medical cost savings.

Unfortunately, the skilled home health care industry is facing a workforce shortage crisis, which is threatening patient access to care.

Wisconsin's home health care agencies are reimbursed by private pay insurance, Medicare, and Medicaid. However, Wisconsin's Medicaid reimbursement rate for home health services has been stagnant for over a decade, without a single increase. Yet over that same time, healthcare inflation has grown 32.3%, and the average Medicare reimbursement rates have increased by 26%. Medicare rates average \$145.00 and Medicaid reimbursement for home health services remain at \$85.54 per visit.

Such low Medicaid reimbursement levels create a critical workforce crisis for home health care agencies to retain essential skilled nursing staff and adequately serve Wisconsin's home health care patients. Wisconsin home health agencies regularly lose highly skilled nurses to other sectors of the healthcare industry, mostly due to inequitable compensation potential.

According to the Wisconsin Center for Nursing, Wisconsin is 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, while nationally that statistic is 13% of the total nursing workforce.

Wisconsin's lagging Medicaid reimbursement rates not only create workforce challenges, they also negatively impact access to home health care services among the Medicaid population.

In short, Wisconsin's home health care agencies have earned and deserve a Medicaid rate increase. **Most importantly, Medicaid patients should be able to access home health services which increase quality of life and decrease medical costs.**

By incentivizing home health care agencies to accept new Medicaid patients and increase capacity for home health care to attract new workforce, the state could reduce dependency on expensive institutional-care facilities for post-acute care.

On behalf of the patients we serve, the Wisconsin Association for Home Health Care urges the Legislature to include a modest increase in the 2021-23 biennial budget. It is time to raise Medicaid reimbursement rates for home health care services. The downstream cost savings far exceed the investment and most importantly it will benefit all patients.