



House Human Services Committee Interim Hearing
Public Comment to Interim Charge 4
September 25, 2020

The Texas Association for Home Care and Hospice (TAHC&H) represents over 1,200 licensed Home and Community Support Services Agencies (HCSSAs) across the state of Texas providing home and community-based services to some of the most vulnerable adults and medically fragile children. TAHC&H members are among Texas' frontline healthcare workers, including community care and personal attendants who support individuals in their daily activities. Without these services and programs, patients would likely be placed in institutions, hospitals, or long-term care facilities, rather than in the comfort of their homes surrounded by family.

We appreciate the opportunity to provide these written comments on part of Interim Charge 4: ***Review what impact funding provided by the 86th Legislature to increase the base wage for community attendant services and the increased funding for rate enhancements have on workforce retention and quality. Consider options to both stabilize and expand the workforce.***

Funding impacts provided by the 86th Legislature:

We know that this committee is familiar with the various issues our members have faced during the past few budget and legislative cycles. It has been more than 14 years since community care providers received an increase in the reimbursement rate for administrative operations. While we appreciate the investment made in 2019 to raise the attendant wages, there are operational requirements associated with the pandemic and other regulatory decisions that continue to increase the cost of providing essential services. Furthermore, to support the healthcare continuum and reduce the number of individuals in nursing facilities, our members must remain competitive within a highly uncertain market where critical healthcare employees turn to other employment opportunities that offer higher pay and less stressful environments. COVID-19 has provided many challenges for home care agencies as they struggle to maintain their attendant workforce.

In 2019 the Texas Legislature increased the base wage for community care attendants by 11-cents per hour. Appropriations were also added to the attendant wage enhancement program (AWEP) that provided participating providers ***up to*** a 12-cent increase. In order to understand the impact of those appropriations is it critical to understand the structure of the attendant rate.

There are three ways the Legislature has traditionally funded community care programs:

1. **Wage floor / Minimum wage (direct care portion):** Since 2013, the Legislature started to mandate a wage floor that exceeded federal minimum wage. Prior to 2013, providers had the discretion to pay the minimum wage or more depending on their ability to provide access to care. Before the Legislatively-dictated wage floor, providers paid attendants an average of \$.74 to \$1.28 more than the federal minimum wage depending on the program. Today, the current base wage floor is set at \$8.11 and providers continue to pay more than the state mandated wage floor (the amount depends on program.) Because of the continued deficient appropriations, providers are forced to take revenue from their operations to pay attendants more.
2. **Operational portion / service support (non-direct care portion):** This portion of the rate covers the non-direct care expenses incurred in administering the program. This portion of the rate has not received additional funding in over 14 years and is critical to ensuring access to quality services. Home care providers' labor costs are almost entirely for attendants, but also include administrators required by licensure, supervisors (which must be nurses in some cases), clerical, and other employees that are necessary for the operations of a licensed and regulated health care provider. This portion of the rate also pays for attendant benefits, office rents or mortgages, utilities, transportation, attendant training, insurance, taxes, legal services, regulatory compliance costs such as background checks, and all aspects of 26 TAC Ch. 558.
3. **Attendant wage enhancement program (AWEP):** Texas offers an optional direct care rate enhancement program where home care providers receive an increment to the base direct attendant care rate in exchange for agreeing to spend a minimum of 90% of the additional reimbursement on attendant care costs or else be subject to recoupment of the difference. The remaining 10% may be spent on specified administrative expenses.

The legislature should fund both the wage floor and the rate enhancement, to help incrementally raise the wages paid directly to attendants and avoid wage compression issues that will actually harm retention of quality attendants. By addressing the service support/operational portion of the rate, the legislature will ensure providers can better retain quality workers thereby addressing the workforce crisis. Taking this comprehensive approach, appropriately addresses the underfunding of both the attendant wage and agency service support / operational cost problems that continue to worsen each year and force more individuals into higher cost settings. In the era of COVID19 that is not an acceptable scenario.

The following are provider specific scenarios that give perspective on the impact of appropriation decisions.

Within the AWEP, providers were given up to a 12-cent increase (depending on their participation level). Using that to cover the 11-cent base wage increase that is a pass thru to attendants, the highest level of participation (12-cents) does not fully cover the base wage increase of 11-cents per hour. When administrative and benefit cost are factored, this was a net

loss to providers. In addition to a 14-year stagnant reimbursement rate for operational costs, this base wage increase compounded provider's operational burden. The wage reimbursement increase also was not substantial enough to offset the wage pressures seen in Texas so providers are still at an uncompetitive disadvantage when recruiting for caregivers/attendants.

If providers decide to also provide respite care services, their operational burdens are even more disparate. Respite care is care that is utilized by primary caregivers who need a break from their duties. For example, the 86th legislative session required all services, including respite, to pay attendants \$8.11 / hour. This increased the wage for respite care from the minimum wage of \$7.25. Therefore, if an agency participates at the highest level of AWEPP, only .12 cents of the mandated .86 cents is covered and .74 cents is not covered in the reimbursement rate. For one provider, this means an unfunded 600K /year to provide respite services to individual caregivers in the community.

Adding the unintended consequence of loss (.74/hour) to the provider due to an increase in wages for attendants puts the home care industry in jeopardy of not being able to provide home care in many Texas communities. In order to begin to correct the unintended consequence brought about by only raising the attendant portion of the wage, an increase to the operational portion of the rate must be appropriately funded by the Legislature during the 87 Legislative Session.

Other pressures on the home care community include the lack of enforcement and consistency in MCO payments to providers. For instance, last year HHS implemented new attendant billing codes that required agencies to submit billing in 15 minute increments. HHS created a policy for rounding that is not being enforced equally across MCOs resulting in a payment decrease of .04 cents/hour for certain MCOs. Due to the volume of services provided, this difference can add up to a substantial and unwarranted loss for many providers.

The COVID19 Pandemic, in combination with the aforementioned funding issues has created unsustainable pressures on the home care industry. The current reimbursement rates do not contemplate the additional cost being incurred to provide safe and effective services during this pandemic. For example, increased costs include:

- **Personal Protective Equipment (PPE) and supplies:** home care agencies are incurring additional cost associated with purchasing increased supplies and PPE at a premium to provide personal protective equipment in order to follow their infection control policies as part of their HCSSA license requirements and guidance outlined by the Department of State Health Services (DSHS).
- **Added regulatory requirements:** during the COVID-19 crisis, agencies have had to set up COVID-19 specific protocols within the agency and patient's home and are adhering to frequently changing regulatory requirements for reporting infection control as well as screenings of health care workers and patients.
- **Transitioning to virtual care:** agencies have incurred additional costs related to transitioning to virtual visit technologies to ensure the health and safety of their clients and employees.
- **Disruption of regular home care visits:** many clients have delayed surgeries that require home care intervention upon discharge. Additionally, many clients have limited

in person visits and providers have implemented telephonic/telehealth visits for patient's safety which is not traditionally covered for all types of home care.

- **Increased overtime not covered by Medicaid:** because of the crisis, many employees have not been able to go into work for a number of reasons to include; actual exposure and the need to self-quarantine, fear of exposure, or because they now have children at home with no means for child care. This has forced many agencies to work with fewer staff and incur overtime costs not covered through Medicaid reimbursement.

Home health providers such as home health aides/attendants are all under stress treating patients with and without a COVID-19 diagnosis. Understanding the critical role home care contributes to the health care infrastructure, some states have implemented "Hazard Pay" for these employees and other states such as Massachusetts have already authorized a 10% across the board increase for homecare. We need our hospitals and physicians to be able to rely on Medicaid Home Care for the treatment of patients who can be treated effectively and safely at home.

Innovations to Stabilize and Expand the Workforce

The Texas Medicaid program is undergoing a fundamental change from paying for volume to paying for the value of healthcare services. This value-based payment (VBP) transformation aims to achieve better care for individuals and lower costs to the state. In line with these efforts, HHSC should establish a voluntary statewide Quality Incentive Payment Program (QIPP) for Community Care providers modeled after the Texas Nursing Facility QIPP. This pay-for-performance program would incentivize Community Care providers to improve quality and provide an opportunity for providers who meet established metrics to obtain additional performance-based payments. Moreover, creating a Community Care QIPP would help the state achieve long-term services and supports (LTSS) policy goals and system improvements, including promoting high-quality programs and supporting the ability of older adults and people with disabilities to live in their communities.

A Community Care QIPP would allow the Texas Legislature to target funding to Community Care providers who meet identified quality metrics, thus improving care for thousands of individuals currently receiving care in the community. Despite state efforts to rebalance service delivery from institutions towards home and community-based, Community Care providers lack access to a statewide VBP initiative while nursing facilities can participate in such a program. A statewide Community Care QIPP would provide a cohesive, standardized approach for establishing VBP models for these providers and ensure consistency in quality metrics and reporting requirements. A Community Care QIPP would also provide an opportunity for HHSC to lead the development of standardized metrics needed to evaluate the quality of care provided in the community. These efforts could lay the groundwork for additional implementation of VBP agreements between managed care organizations (MCOs) and Community Care providers.

Of course, the primary foundation to a successful VBP initiative, is a sustainable payment structure that allows the program to target dollars to the highest value services. The fundamental deficit in the attendant rate must also be addressed to move into the innovations necessary to enhance and expand the attendant workforce.

Thank you again for the opportunity to provide these written comments to part of Interim Charge 4: *Review what impact funding provided by the 86th Legislature to increase the base wage for community attendant services and the increased funding for rate enhancements have on workforce retention and quality. Consider options to both stabilize and expand the workforce.* TAHC&H welcomes the opportunity to answer any questions in regards to these comments. We appreciate the committee's attention and consideration of the suggested solution to address the rate deficits and create a QIPP for Community Care Providers.

Respectfully Submitted,

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