

# Home Health Certificate of Need Program



# Home Health

- What is Home Health?
  - Intermittent skilled services.
    - Nursing, Therapy, Aide services.
    - Requires an order from a MD, NP, or APRN.
    - Medical Necessity must be met.
    - In a typical episode, the nurse and aide (separately) would perform a visit 2-3x per week.
  - KY requires you to participate in Medicare.
- Not a facility or brick and mortar
  - No “assets” from an accounting perspective
  - Frontline staff out in the home/community with administrative support
- Almost every point of contact between a patient and their direct service worker happens in the home.

# Home Health

- 97 Licensed Agencies in KY
- Agency Types
  - Hospital-based
  - National Organizations
  - Health Departments
  - Standalone Nonprofit Operations

# CON Process/Methodology

- Overall Need Determination
  - Determined on a county-by-county basis by applying target rates estimating the number of individuals per 1,000 expected to require home health.
  - Need at least 250 patients in need of services (125 for existing CON) to be consistent with the state health plan.
- 5 factors for CON Approval
  - Consistency with State Health Plan is mandatory
  - Need and Accessibility
  - Financial viability
  - Interrelationships and Linkages
  - Quality

# CON Discussion

- Home Health is not a free market
  - Rates are determined by DMS (Medicaid) and CMS (Medicare)
  - Commercial Insurance is a payer, but has limited penetration
  - There is no negotiation with Medicare or Medicaid
  - Medicaid rates have not changed for 15+ years
  - Medicare rates are poised to be cut by almost 10% in 2024 if the law does not change
- This is an unstable industry
  - Staff turnover is estimated at anywhere from 40-70%
  - Merger/Acquisitions increase instability
  - Home Health Agencies continue to decrease other offerings (waiver in particular)
  - Employees are scarcer than ever
    - Competition from Nursing Homes and Hospitals continues to erode Home Health access
      - Rates directly impact access and workforce
- Efforts to “Open Up” CON have not shown it to help access increase in rural or Underserved areas
  - Private Duty Nursing (similar services to Home Health) CON Change in 2019
    - Rural areas continue to be underserved
    - Most new entrants serving the population centers

# Indiana Landscape

- Differences between IN/KY
  - No CON
  - Payment differences
- Number of Agencies
  - 350 vs 98
- Fraud and Abuse
  - Indiana Department of Health
  - Medicaid Fraud Control Efforts
- Reimbursement Rates

# Solutions

- Maintain CON “as is”
  - Serves as a formal and detailed vetting process for agencies
  - Ensures agencies are accountable and fraud and abuse is minimized
- Increase Reimbursement Rates for Home Health
  - Stabilize the Market
  - Allow Kentuckians to be served where they want to be - in their homes