

February 23, 2024
HCP Memo 2024-3

**MEMO IN SUPPORT
S6963 (Rivera)/A7335 (Paulin)**

Establishes regional minimum hourly base reimbursement rates for home care providers.

Introduction:

The New York State Association of Health Care Providers, Inc. (HCP) STRONGLY Supports this bill.

Discussion:

This legislation rectifies critical deficiencies within our home care system. Its enactment is vital for ensuring that home care providers receive fair reimbursement from private insurers, thereby enabling them to offer adequate wages and benefits to home care workers. By doing so, we can ensure that essential home care services remain accessible to disabled individuals and elders throughout our state.

Recent reports, such as the one published by the Albany Times Union highlighting "[Heartless Greed](#)," underscore the urgent need for corrective action. Under the current system, private insurance agencies often retain a significant portion of the funds allocated by the state for home care workers, leaving provider agencies teetering on the edge of financial ruin and leaving families frustrated and struggling to access necessary care for their loved ones.

Although efforts have been made to increase wages for home health care workers in recent state budgets, these initiatives have fallen short by failing to link wage increases with corresponding adjustments in reimbursement rates for home care employers. Consequently, the home care industry has been destabilized, exacerbating systemic challenges that this legislation aims to address.

Key issues that this legislation seeks to remedy include:

- **Lack of Transparency and Understanding:** There is a glaring lack of clarity regarding what constitutes an adequate reimbursement rate to cover worker wages, benefits, and related employer costs. This ambiguity stems from a lack of communication and meaningful negotiation between home care provider agencies and insurance plans.
- **Inadequate Reimbursement:** Without a requirement to do so, insurance plans often fail to adequately reimburse home care agencies for the true cost of care, including non-discretionary labor costs.

The New York State Association of Health Care Providers, Inc. (HCP) is a statewide trade association representing the full spectrum of home and community-based care providers through information, advocacy, and education. HCP represents licensed home care services agencies, certified home health agencies, fiscal intermediaries, hospices, and related health organizations. Through a strong network of regional chapters and an active State office in Albany, HCP is a primary authority of the home health care industry.

To address these systemic failures, the proposed bill offers several remedies:

- Defines elements comprising reimbursement rates, ensuring they cover direct care-related payments, operational expenses, and administrative costs.
- Establishes a regional minimum hourly base reimbursement rate for home care and personal care.
- Provides annual adjustments to reimbursement rates based on a transparent trend factor.
- Requires the Department of Health to establish accountability measures and publicly post relevant data.

Importantly, this legislation imposes no fiscal impact but directs funds already appropriated for home care worker salaries toward their intended purpose.

Conclusion

This legislation is essential for restoring stability and fairness to the home care industry. By ensuring adequate reimbursement rates for home care providers, we can uphold the dignity and well-being of our most vulnerable citizens while also supporting the dedicated workforce that serves them.

Home care worker wages and adequate reimbursement rates for their employers are inextricably linked and inseparable. The 2024 state budget brought predictability to the wage side of this equation. This legislation solves the reimbursement side of the equation and must be included as part of any reforms to the Medicaid payor structure.

For this reason, HCP emphatically supports S6963 (Rivera)/A7335 (Paulin) and considers this bill a priority.