NEWS FROM THE HOME CARE ASSOCIATION OF NEW YORK STATE (HCA)

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As NY Budget Proposes 50% Workforce Funding Cut, New HCA Report Shows Devastating Impact of Pandemic on Home Care Finances and Access

HCA calls for restoration of workforce and service funds, as well as a ‘Home Care First’ policy to meet rising demand for home care in pandemic

ALBANY – At a time when home care providers face a 50% workforce recruitment-and-retention funding cut and other reductions in New York’s budget, HCA has issued a new report showing the devastating impact of COVID-19 on home care operations and workforce amid a rising demand for services and escalating new costs for Personal Protective Equipment (PPE) and other needs.

Alongside the report, HCA is calling on the Governor and state Legislature to restore funds for home care workforce and services, assisted by federal aid. This includes not only the workforce funding cut but also proposed 1% across-the-board reductions. We also urge enactment of a “Home Care First” policy that updates the referral structures, state program policies, and other state finance provisions so that care at home is a first consideration for patient care, where suitable.

“At no other time has the role of home care shined more heroically, inviting bold action,” said HCA President Al Cardillo. “Not only is home care a cost-effective service, but it is also directed to the individualized needs of a patient in their own homes, minimizing avoidable person-to-person contact that is otherwise unavoidable in other settings.”

“By law and regulation, home care is supposed to be a primary consideration and right for patients,” he added. “Yet home care services and workforce are facing cuts in this year’s state budget on top of longstanding under-investment. These actions also fall on an overall structure where the home care option has too often been overlooked or bypassed by referral sources. Despite the thousands of COVID and COVID-vulnerable patients cared for at home in the pandemic, consider the many who might have chosen home care but were never referred.”

“A clear first step is to restore the proposed workforce recruitment-and-retention and service funds and then rededicate longer-term investments to the resiliency of these safety-net services,” he said.

Making the case, HCA’s 2021 State of the Industry report brings together an analysis of Medicaid cost report data, state and federal labor statistics, COVID-19 survey responses, and answers from home care providers on HCA’s most recent annual finance and trends survey, completed in January.

Among the key findings of HCA’s 2021 report for New York providers:

- 55% of all home care agencies in New York are estimated to have had a negative operating margin in 2019, the most recent year of data available, not accounting for the impact of the pandemic.
• Home care agencies in New York saw a 136% increase in PPE costs and an estimated $200 million in overall increased costs attributable to the pandemic on top of existing pre-pandemic financial pressures.

• One-third of New York providers have relied on limited, short-term Paycheck Protection Program (PPP) funds from the federal stimulus program just to meet payroll, and most agencies are relying on some form of short-term financing or borrowing to sustain services.

• 85% of home care agencies in New York report that existing structural workforce shortages have been greatly amplified by COVID-19. Approximately 44% of home care and hospice agencies have experienced a decrease of 11% or more in their home health aide and personal care aide workforce capacity since March 7, 2020 when the public health emergency was declared.

• Home care staff turnover rates are 23 percent and 29 percent, on average, for nursing and aide staff, respectively, in New York.

• A rising demand for services continues to outpace employment in the home health sector – a long-term trend. Yet 2020 was the first year of decline in home health aide employment following a six-year period of growth in New York.

“These findings make a clear and convincing case that further cuts to home and community-based services are unsustainable, and that a prevailing ‘home care first’ policy is essential in our health care system,” Cardillo added.

*HCA is a statewide health organization comprised of nearly 400 member providers and organizations delivering home and community-based care to several hundred thousand New Yorkers annually.*

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