Covid-19 financial implications for home health agencies

Covid-19 challenges that home health agencies should consider

It’s no surprise that the Covid-19 pandemic has brought a new set of challenges for home health agencies and home care providers. Across the last few weeks, providers have had to manage reduced workforces, new patient types, a severe shortage of supplies, and fluctuations in patient census, just to name a few. These changes will have a significant impact on home health agency finances—both now and in the future.

This document outlines the main impacts of Covid-19 on home health providers, ordered in each category from short-term to long-term implications. Providers should use the key questions in this document to determine how to mitigate negative financial implications at their own organization.

Impact on patient volumes

<table>
<thead>
<tr>
<th>Force</th>
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<th>Questions to consider</th>
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</table>
| **Reduced efficiency/increased time required per visit due to PPE precautions** | • Number of Covid-19-positive patients treated at home  
• PPE availability | • How many visits do your providers average per day?  
• How much time does it take to correctly don/doff PPE? |
| **Increased volumes due to avoidance of SNF from fear of infection** | • Length/severity of outbreak  
• Physician recommendation  
• Media focus on SNF  
• Percent of cases eligible to be cared for by home health  
• Home health capacity | • What is the rate of infection in SNFs?  
• Have any SNFs been able to contain Covid-19? |
| **High denial rate of home health services** | • Level of patient/family concern about provider-patient transmissions  
• Availability of at-home caregivers due to stay-at-home orders | • What is the average ‘no-show’ or denial rate for home health services?  
• How many communities/states that you work in strictly enforcing stay at home orders? |
## Long-term effects on patient volume, mix could be significant

### Impact on patient volumes, continued

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<td>Reduced volumes due to reduced elderly population</td>
<td>• Mortality rate among seniors</td>
<td>• N/A</td>
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### Impact on patient mix

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<td>• What is cost to treat?</td>
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<td></td>
<td>• Likely differences market-to-market</td>
<td>• How many practitioner visits do these patients require?</td>
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<td>• Hospital willingness to discharge to home health</td>
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<td>Increased acuity, due to decreased hospital LOS for non-Covid-19 patients</td>
<td>• Severity of outbreak</td>
<td>• What patient types can hospitals discharge home earlier in their care trajectory?</td>
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<td>Surgical volume delays for public health/economic reasons</td>
<td>• Hospital and physician recommendations</td>
<td>• What are traditional volumes of joint replacement surgeries?</td>
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<td>• National/state policy requirements</td>
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**Long-term effects on patient volume, mix could be significant**

**Impact on patient volumes, continued**

- Reduced volumes due to reduced elderly population
  - Mortality rate among seniors
  - N/A

**Impact on patient mix**

- Increased Covid-19 admissions
  - Severity of outbreak
  - Length of outbreak
  - Likely differences market-to-market
  - Hospital willingness to discharge to home health
  - What is reimbursement for Covid-19 cases (mild/moderate/severe)?
  - What is cost to treat?
  - How many practitioner visits do these patients require?

- Increased acuity, due to decreased hospital LOS for non-Covid-19 patients
  - Severity of outbreak
  - Hospital flexibility to further reduce LOS for non-Covid-19 patients
  - What patient types can hospitals discharge home earlier in their care trajectory?

- Surgical volume delays for public health/economic reasons
  - Hospital and physician recommendations
  - National/state policy requirements
  - What are traditional volumes of joint replacement surgeries?
  - How many joint replacement patients typically discharge to home health?
Agencies face new demand for supplies and diverse services

### Impact on supplies

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| Inadequate supplies (PPE, medication, etc.) | • Level of supply chain disruption  
• Competition with hospitals for resources  
• Eligibility for federal/state help  
• Consumer hoarding | • How do you currently access supplies?  
• What supply chain disturbances have already occurred? |
| Increased need for supplies for high-acuity patients (medications, DME) | • Hospital flexibility to further reduce LOS for non-Covid-19 patients | • What care can be delivered in the home setting, under current home health regulations, that isn’t commonly delivered there?  
• What devices/medications are needed in the home for that care? |

### Impact on service offerings

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| Increased need for connection to non-medical home health services (grocery delivery, etc.) | • Duration of stay-at-home orders  
• Product shortages | • How much do you currently offer support/connections to non-medical services? |
| Increased demand for telehealth in home health | • Severity of outbreak  
• Staffing availability | • What options do home health providers have for telehealth under current rules? |
# Workforce challenges escalate under Covid-19

## Impact on staffing

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| Unavailability of staff/unable to fill additional demand | • Types of patients being transitioned to home health  
• School closures | • How much additional demand for home health care do we expect to see?  
• Are you offering training/recruiting for laid off non-health care workers? |
| Bump in staff mental health needs | • Length of isolation  
• Death toll  
• Tenor of media | • How can you support your staff members’ mental health needs? |
| Increased safety concerns in the home environment due to isolation (domestic violence, etc.) | • Length and severity of outbreak  
• Duration of stay-at-home orders | • How can you screen patients for these challenges and adapt your service offerings to help?  
• What staff trainings could you offer? |