

# 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



#### Force

*Reduced efficiency/increased time required per visit due to PPE precautions*



#### Magnitude depends on

- Number of Covid-19-positive patients treated at home
- PPE availability



#### Questions to consider

- 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



### Force

*Reduced volumes due to reduced elderly population*



### Magnitude depends on

- Mortality rate among seniors



### Questions to consider

- N/A

## Impact on patient mix



### Force

*Increased Covid-19 admissions*



### Magnitude depends on

- Severity of outbreak
- Length of outbreak
- Likely differences market-to-market
- Hospital willingness to discharge to home health



### Questions to consider

- 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



### Force

### Magnitude depends on

### Questions to consider

*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



### Force

### Magnitude depends on

### Questions to consider

*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

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## Impact on staffing



### Force

*Unavailability of staff/unable to fill additional demand*

*Bump in staff mental health needs*

*Increased safety concerns in the home environment due to isolation (domestic violence, etc.)*



### Magnitude depends on

- Types of patients being transitioned to home health
- School closures

- Length of isolation
- Death toll
- Tenor of media

- Length and severity of outbreak
- Duration of stay-at-home orders



### Questions to consider

- 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?

- How can you support your staff members' mental health needs?

- How can you screen patients for these challenges and adapt your service offerings to help?
- What staff trainings could you offer?