

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



Magnitude depends on



Questions to consider

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



Force

Magnitude depends on

Questions to consider

Reduced volumes due to reduced elderly population

- Mortality rate among seniors

- N/A

Impact on patient mix



Force

Magnitude depends on

Questions to consider

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

Force	Magnitude depends on	Questions to consider
<i>Inadequate supplies (PPE, medication, etc.)</i>	<ul style="list-style-type: none">• Level of supply chain disruption• Competition with hospitals for resources• Eligibility for federal/state help• Consumer hoarding	<ul style="list-style-type: none">• How do you currently access supplies?• What supply chain disturbances have already occurred?
<i>Increased need for supplies for high-acuity patients (medications, DME)</i>	<ul style="list-style-type: none">• Hospital flexibility to further reduce LOS for non-Covid-19 patients	<ul style="list-style-type: none">• 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
<i>Increased need for connection to non-medical home health services (grocery delivery, etc.)</i>	<ul style="list-style-type: none">• Duration of stay-at home orders• Product shortages	<ul style="list-style-type: none">• How much do you currently offer support/connections to non-medical services?
<i>Increased demand for telehealth in home health</i>	<ul style="list-style-type: none">• Severity of outbreak• Staffing availability	<ul style="list-style-type: none">• What options do home health providers have for telehealth under current rules?

Workforce challenges escalate under Covid-19

Impact on staffing



Force



Magnitude depends on



Questions to consider

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?