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Interim HealthCare

Chairman Ginter, Vice Chairman Swearingen, Ranking Member Howse, and members of the House Aging and Long Term Care Committee. My name is Tom DiMarco and I am Chief Executive Officer representing Interim HealthCare Agencies throughout the State of Ohio. Thank you for the opportunity to provide testimony on how COVID-19 has impacted home health and hospice agencies in the state of Ohio.

Background Information

Who is Interim – Interim HealthCare is headquartered in Columbus. We are the largest franchise network within the Interim HealthCare network. As a people-focused organization, we pride ourselves on serving with integrity and providing exceptional care and client service to those we serve. Next year our Organization will be celebrating its 50th year of service to the communities in Columbus/Central Ohio and the Cincinnati/Southwest Ohio.

In Ohio we have 12 Medicare Certified Home Health Agencies and 2 Medicare Hospice certified agencies. We have 33 locations providing care in 81 Ohio counties. In addition to Ohio, we have service locations in PA, WV, KY, and IN. Our entire Organization has 70 Home Care and Hospice locations, employs about 3,000 caregivers and administrative staff (1,800 in Ohio) and cares for over 5,000 clients weekly of which 3,800 are in Ohio.

Back in 1984 our Columbus Agency piloted a program with the Area Agency on Aging and as a result of the pilot, the PASSPORT program was developed. PASSPORT's goal was to keep the aged population in their homes and out of nursing homes. It has been a wonderful program that allows seniors to stay in the place they most want to be – Home.

Our services benefit ALL ages. We provide care to US Veterans and Spouses, Alzheimer's & Dementia care, caring for people with chronic diseases including CHF, COPD & diabetes. We also provide hospice care. Our services include skilled nursing, PT, OT, SP, MSW, Home Health Aide, personal care services and companion services.

We provide care to medically fragile children, including kids that are ventilator dependent.

We provide care to the chronically ill with the goal of maintaining care in the home and preventing hospitalizations. The most common diseases are CHF, COPD and diabetes. We teach and train the patient and patient family about caring for themselves.

We provide personal care and support services to our seniors. This service includes personal care such as grooming and bathing, meal preparation and the basic tasks of daily living which can sometimes be a struggle for our seniors.

And we provide hospice care for those transitioning to the final stage of life. With a patient centric approach to address each individual's mind, body and spirit, we work tirelessly to help families find peace. We are honored to be trusted with the most beautifully complicated time of their life.

How COVID-19 has impacted Home Health

The pandemic has created significant problems for which no one was prepared. The problems were real, from obtaining PPE, to clients not allowing caregivers in their homes out of fear of contracting Covid 19, to some employees stopping work out of that same fear. Hospitals ceased elective surgeries resulting in a part of our business dramatically declining.

Let me address these issues.

Obtaining PPE. As you have heard from the news, obtaining Personal Protective Equipment was almost impossible. N95 masks were only one component. Other PPE included, gowns, gloves, face shields, booties and surgical masks. Our Organization within the last 2 weeks has been able to purchase sufficient supplies. But it has been at a cost. Costs of all PPE equipment increased dramatically. Surgical masks which cost less than \$.20 per mask prior, now cost between \$.50 and \$1.00 or more. N95 masks pricing increased from about \$3.00 to now over \$6.50 per mask. Similar pricing was felt for other PPE equipment. The total cost to outfit a caregiver with proper PPE when needed is about \$20 per caregiver per day.

To date our Organization has spent over \$572,000 in purchasing PPE equipment to protect our caregivers. We estimate our Organization's PPE costs will be \$1.2 - \$1.4 million annually.

PPE is now easier to obtain but pricing will remain high. It will take time before the PPE supply chain catches up to the demand.

Keep in mind that there is no cost for PPE built in to any bill structure, from Medicare, Medicaid or Insurance carriers. Other medical professions such as

dentist offices are adding a PPE surcharge. Home Health Agencies are bound to accept payment in full from its payer sources.

Patients putting services on hold – Out of fear and also because of the State mandated lockdown, patients declined services. The number of clients for which our Organization provided care dropped by 500 in the 1st week of lockdown. That number has remained steady during the pandemic.

Our caregivers dropped from 3,000 per week on average to a little more than 2,500 per week. This was caused by the drop in patient care but also due to the added federal unemployment benefit. Combined unemployment frankly pays more to stay at home than to work. For example our average home health aide earns about \$11 per hour. With unemployment that caregiver now “earns” upwards of \$22 per hour. My understanding is it is also tax free.

We have been aided by the ability to provide and bill for Telehealth Medicaid services. We provide care utilizing telehealth where appropriate. Except for hospice, Medicare has not allowed the use of telehealth as a means of providing care.

As a result of the pandemic our ability to continue business as usual has been challenged. Our revenues have declined by about 12% during the pandemic. We are in the same position as other home care providers and health care companies that for the first time over the past 35 years we will have a net loss from operations for the first 6 months of 2020.

Our Medicaid business in Ohio has been a “breakeven at best” scenario relating to income. With the pandemic our more profitable lines of business have decreased dramatically and therefore we cannot continue to support providing care to the Ohio Medicaid population.

An example of the variance between Costs and Medicaid reimbursement in the State of Ohio is below.

(Per the 2019 Cost Report for the Columbus provider)

Discipline	Cost	OH Reimb.
SN	\$89.85	\$40.65 - \$47.40
PT	\$138.09	\$69.94
OT	\$131.74	\$69.94
SP	\$142.64	\$69.94
MSW	\$154.65	\$N/A
HHA	\$35.28	\$23.57

Keep in mind that this is before PPE costs.

Also, please keep in mind all the other issues experienced by Home Health Agencies prior to Covid 19 as a result of low reimbursement. These include our inability to recruit and retain enough caregivers. Our pay rates for home health aides for example are in the \$11.00 per hour range. If the fight for \$15 per hour minimum wage became a reality the Department of Medicaid would need to dramatically increase rates in all caregiver disciplines or all Agencies would not survive.

So why should you care about home care?

- 1) It is still the most cost effective health care delivery model.
- 2) Home is where patients want to be. Patients thrive at home better than in a facility. Patient quality of life is greater.
- 3) Patients are provided one on one care in the home.
- 4) Home care is safer than residing in a facility. The impact of Covid 19 in facilities supports this.
- 5) Home care provides a better model for social distancing. Keep in mind that the impact of Covid 19 in the long term is not known. The new norm is not known.
- 6) The Aging population and especially the Medicaid population will create an accelerated cost burden if home care cannot be provided.
- 7) During this pandemic Home Health Agencies are still caring for individuals that choose to receive their care at home; family caregivers are now going back to work and agencies are re-starting services, home health is more important now than ever.

You have a difficult decision to make regarding providing quality care to the citizens of Ohio. This needs to be balanced by the funds that are available to provide care. We know that the Governor has cut Medicaid funding by \$210 million for this budget period. As a Home Care provider that is the largest Medicaid provider in the State in terms of geographic territory served and the number of Medicaid patients served, we believe that the best way to serve the Medicaid population is to cut Medicaid funding in other health care areas. If you remember when this budget was passed, the 5% Medicaid rate increase for home care approved by the Legislature was line item vetoed by the Governor. Please do not let the funding be slashed any further.

Once the impact of this pandemic is known, we look forward to discussing long term solutions to providing care to the Medicaid population in a most cost effective manner.

Thank you for the opportunity to testify about Interim HealthCare's experiences with COVID-19. I would be happy to answer any questions that the committee may have.