



**Rhode Island Partnership
for Home Care**

Advancing quality healthcare at home

February 28, 2024

VIA EMAIL: HouseFinance@rilegislature.gov

Hon. Marvin Abney, Chair
Committee on Finance
House of Representatives
State House, 82 Smith Street
Providence, RI 02903

Re: Opposition to House Bill 7225, SFY25 Article 9, Section 5(c) “Provider Reimbursement Rates” as Currently Proposed

Dear Chair Abney,

I am requesting that your committee amend Article 9, Section 5(c) within the proposed State Fiscal Year 2025 Budget to fully-fund home care as proposed by the Social and Human Service Programs Review Final Report produced by the Rhode Island Office of the Health Insurance Commissioner (OHIC) on September 1, 2023.

This OHIC report validates the data and information that the Rhode Island Partnership for Home Care has presented to the Medicaid Program Director, Governor and General Assembly’s leadership for decades. **Medicaid-contracted home care services in Rhode Island are grossly underfunded**, especially compared to our counterpart programs throughout New England. Based on the rate increase recommendations within this report, **home care needs no less than a 38.6% increase¹ in this SFY25 budget.**

Figure 11: RECOMMENDED HCBS RATES FISCAL IMPACT SUMMARY [HOME CARE-HOME HEALTH-HOSPICE]

SERVICE CATEGORY DETAIL	BASELINE EXPENDITURES	% CHANGE	EXPENDITURE ESTIMATES USING PROPOSED RATES	DIFFERENCE
Home Care	\$58,312,943	39.7%	\$81,457,711	\$23,144,768
Home Health	\$604,820	2.5%	\$619,946	\$15,125
Hospice	\$1,142,982	2.5%	\$1,171,540	\$28,558
Composite	\$60,060,745	38.6%	\$83,249,197	\$23,188,451

¹ Final Report: Section 5.2.2 “Recommendations”; April 2022-March 2023 FFS Expenditures, Page 27

As it relates to specific billing codes for home care services, OHIC recommended the following fee-for-service (FFS) rate increases² by the Medicaid Program:

Figure 10: RECOMMENDED HCBS COMPARISON RATE RELATIVE TO FFS RATE [HOME CARE SERVICES]

PROCEDURE CODE GROUPING	INCLUDED PROCEDURE CODES	COMPOSITE OHIC RECOMMENDED RATE	COMPOSITE CURRENT FFS RATE	PERCENT DIFFERENCE	COMPOSITE GOVERNORS SFY25 PROPOSED RATE
Personal Care and Homemaker Services	S5125; S5130	\$10.76	\$6.80	58.1%	\$8.12
Home Care Nursing Evaluation	T1001	\$185.33	\$106.21	74.5%	\$132.58
Private Duty Nursing	T1000	\$18.88	\$13.30	41.9%	\$15.19

Separately, **skilled nursing and therapeutic rates in a home-setting have been woefully underfunded for decades**. Unlike paraprofessional rates, which were one of the primary focuses of the Reinventing Medicaid³ initiative of then-Governor Raimondo’s administration, **skilled rates remained stagnant**. Until the annual cost inflation factor statute⁴ passed in 2018, skilled care did not receive rate increases at any frequency. The last increase prior to that point was a 9% increase in State Fiscal Year 2008 (SFY08), which was rescinded the following fiscal year due to the looming national financial crisis. Prior to that, skilled providers received a 2% increase in SFY02. Providers have suffered workforce constraints with maintaining CNAs, registered nurses (RNs), physical therapists, occupational therapists, speech-language pathologists and social workers. These workers are difficult to replace. Facility-based settings have greater access to funds through higher reimbursement rates, regulatory safety nets, endowments, donations and grants. Providers report to me that they offer on average 35% less for a starting wage for skilled professionals based on current FFS reimbursement rates. In some cases, their reimbursement rates are much less than the wages for nurses at a hospital or a skilled nursing facility. Additionally, providers need nurses to meet federal and state statutory and regulatory requirements to oversee patient and client care and supervise CNAs. Because **skilled services performed by home care providers were not included in the OHIC report**, the General Assembly should be aware that little action can be taken on the paraprofessional (e.g. CNA and homemaker services) recommendations within the OHIC report because home care providers will still need more skilled professionals to sustain and expand access to home care services.

SKILLED HOME CARE RATES - RHODE ISLAND

DESCRIPTION	PROCEDURE CODE	RI FFS RATE
RN, PT, OT and SLP Per Visit	X0043	\$117.16
CNA per skilled home care unit (not for personal care or homemaking that is billable with S5125 or S5130)	G0156	\$7.71

² Final Report: Section 5.2.1 “Findings”, Page 25 and Final Report: Section 5.2.2 “Recommendations”, Page 26

³ Reinventing Medicaid: <https://eohhs.ri.gov/initiatives/reinventing-medicaid>.

⁴ G.L. § 40-8.9-9(f)(3)(iv): <http://webserver.rilegislature.gov/Statutes/TITLE40/40-8.9/40-8.9-9.htm>.

Based on survey information to the participating organizations of the five other New England state home care and hospice associations⁵, the Rhode Island Partnership for Home Care was able to acquire relevant clinical procedure codes and rates^{6 7 8 9 10} for skilled care at home. These figures collected are valid as of September 22, 2023.

SKILLED HOME CARE RATES - CONNECTICUT

DESCRIPTION	PROCEDURE CODE	CT FFS RATE (UNIT RATE)
RN	G0493	\$60.82
LPN	G0494	\$60.82
Physical Therapist	G0151	\$24.63
Occupational Therapist	G0152	\$24.63
Speech and Language Pathologist	G0153	\$24.63
Home Health Aide (Skilled Setting)	G0156	\$10.18

SKILLED HOME CARE RATES - MASSACHUSETTS

DESCRIPTION	PROCEDURE CODE	MA FFS RATE
RN	G0299	\$107.88
LPN	G0300	\$87.43
Physical Therapist	G0151	\$94.05
Occupational Therapist	G0152	\$97.06
Speech and Language Pathologist	G0153	\$99.55
Home Health Aide (Skilled Setting)	G0156	\$10.18

⁵ Connecticut Association for Healthcare at Home; Home Care Alliance of Massachusetts; Home Care and Hospice Alliance of Maine; Home Care, Hospice and Palliative Care Alliance of New Hampshire; and the Visiting Nurse Associations of Vermont

⁶ Connecticut Medicaid Program Rates: https://www.ctdssmap.com/CTPortal/Information/Get-Download-File?Filename=refw242_feesched_hhlth_16.pdf&URI=fee_schedules/refw242_feesched_hhlth_16.pdf

⁷ Massachusetts Medicaid Program Rates: <https://www.mass.gov/doc/101-cmr-350-rates-for-home-health-services/download>

⁸ Maine Medicaid Program Section 40 (Home health care) reimbursement rates schedule

⁹ New Hampshire Medicaid Program Rates: <https://nhmmis.nh.gov/portals/wps/wcm/connect/54972c59-4138-4246-8262-79cb9dd4b823/2023+Fee+Schedule+-+HCBC+CFI+Covered+Procedure+Codes+with+SA+Requirement++09-01-2023.pdf?MOD=AJPERES&CVID=oFHJVRP>

¹⁰ Vermont 2023 Medicaid Program Home Health, Palliative Care and Pediatric Rates Schedule: https://humanservices.vermont.gov/sites/ahsnew/files/doc_library/23-001-F-GCR-HH-HT-Pediatric-Palliative-Rates-CY2023.pdf

SKILLED HOME CARE RATES - MAINE

DESCRIPTION	PROCEDURE CODE	ME FFS RATE (UNIT RATE)
RN	G0299	\$35.11
LPN	G0300	\$24.58
Home Health Aide (Skilled Setting)	G0156	\$15.91
Occupational Therapist	G0152	\$38.65
Occupational Therapist Assistant	G0152 TF	\$27.06
Physical Therapist	G0151	\$38.39
Physical Therapist Assistant	G0151 TF	\$26.88
Speech and Language Pathologist	G0153	\$41.71
Speech and Language Pathologist Assistant	G0153 TF	\$29.20
Clinical Social Worker	G0155	\$38.64

SKILLED HOME CARE RATES - NEW HAMPSHIRE

DESCRIPTION	PROCEDURE CODE	NH FFS RATE
CNA per skilled home care unit (not for personal care or homemaking that is billable with S5125 or S5130)	G0156	\$6.93
RN, PT, OT and SP Per Visit	X0043	\$108.83

SKILLED HOME CARE RATES - VERMONT

DESCRIPTION	REVENUE CODE	VT FFS RATE
Physical Therapy	420	\$153.77
Occupational Therapy	430	\$154.83
Speech Therapy	440	\$167.15
Skilled Nursing (Services and Visits)	550/551	\$140.69
Medical Social Services (Social Worker)	560	\$225.50
Home Health Aide (Skilled Setting)	570	\$63.70

Comparing the rates of Rhode Island to an average of the five other New England states, Rhode Island's skilled rates are grossly underfunded by the following percentages:

RHODE ISLAND - NEW ENGLAND SKILLED HOME CARE RATES

DESCRIPTION BY PROFESSIONAL OR PARAPROFESSIONAL LEVEL OF SERVICE	RI FFS HOURLY RATE	NEW ENGLAND AVERAGE FFS RATE MINUS RHODE ISLAND FFS RATE	PERCENTAGE DIFFERENTIAL
RN	\$117.16	\$148.22	26.5%
LPN	\$117.16	\$135.71	15.8%
Physical Therapist	\$117.16	\$121.75	3.9%
Occupational Therapist	\$117.16	\$122.77	4.8%
Speech and Language Pathologist	\$117.16	\$128.18	9.4%
Home Health Aide (Skilled Setting)	\$30.84	\$47.30	53.4%

Based on SFY23 Medicaid spending data for skilled home care services, additional funding is needed beyond the final report's recommendation:

ADDITIONAL FUNDING NEEDED BEYOND FINAL REPORT RECOMMENDATION

SERVICE CATEGORY DETAIL	BASELINE EXPENDITURES	% CHANGE	EXPENDITURE ESTIMATES USING PROPOSED RATES	DIFFERENCE
Skilled Care (RN, PT, OT, SLP, SW)	\$1,395,429	18.9%	\$1,659,165	\$263,736

However, the industry is concerned that a \$263,736 increase in aggregate skilled care reimbursement will not be enough to meet labor market expectations. Under current FFS reimbursement, nurses (RNs) are paid approximately \$40.00 per hour. In order to be market competitive, reimbursement rates would need to increase by 37.5% to meet a minimum of \$55.00 per hour for RNs. Similarly, physical and occupational therapists are seeking \$70.00 per hour on average, which would represent a need for a 75% rate increase in order to become labor market competitive. The labor costs do not include the additional expenses for providing skilled care services in the home, including, but not limited to electronic medical systems and ongoing training, electronic visit verification systems and ongoing training, quality metrics tracking systems and ongoing training, and the rising costs of medical equipment and supplies.

Please **fully-fund the OHIC report recommendations for home care** and the proposal by the Rhode Island Partnership for Home Care to **include additional funding for skilled home care services**.

Sincerely,

Nicholas Oliver

Nicholas Oliver, MPA, CAE
Executive Director

cc: Members, House Committee on Finance