



**TESTIMONY OF CARRIE EDWARDS, RN BSN MHA LSSGB
DIRECTOR, HOME CARE SERVICES
MARY LANNING HEALTHCARE
HASTING, NEBRASKA**

**United States Senate Committee on Finance, Subcommittee on Health
Hearing on Aging in Place: The Vital Role of Home Health in Access to Care
September 19, 2023**

Chairman Cardin, Ranking Member Daines, and members of the committee, thank you for the opportunity to testify at this important hearing focusing on the Medicare home health benefit, which provides skilled medical care to older adults and individuals with disabilities. Home health allows eligible individuals to receive care in their homes instead of at more costly institutional sites of service.

I would also like to thank Senators Debbie Stabenow (D-MI) and Susan Collins (R-ME) and Representatives Terri Sewell (D-AL-7) and Adrian Smith (R-NE-3) for their unwavering support to ensure that Medicare beneficiaries have access to high-quality home health services by introducing the Preserving Access to Home Health Act (S. 2137/H.R. 5159). I encourage every member of the Senate to join as cosponsors of S. 2137 to ensure that Medicare beneficiaries in their state have access to home health services.

My name is Carrie Edwards. I serve as the Director of Home Care Services at Mary Lanning Healthcare, located in Hastings, Nebraska. Our home health agency is a hospital-based, nonprofit, rural provider. Mary Lanning Home Health offers a variety of services to meet patient needs right in the comfort of their own home, including skilled nursing; physical, occupational, and speech therapy; lymphedema therapy; medical social work; and home health aide services. We are the only home health agency within 60 miles that will accept pediatric patients that have complex medical needs that can be cared for in the home instead of an institutional setting.

From my nearly 25 years of experience in the home health field, I can confirm that home is where the heart is for the millions of older adults and individuals with disabilities that are able to receive home health care services in their home and community, even despite their health issues. Most of us just feel better when we are home.

That's why I fell in love with helping people stay in their homes even when facing significant health challenges.

At Mary Lanning Home Health, we have over 50 years of experience bringing healthcare services into the homes of central Nebraska residents. But our ability to deliver patient-preferred, high-quality, cost-effective, life-saving home health services is in jeopardy, and not due to any service failures at Mary Lanning Home Health, but rather to decisions being made right now by CMS that threaten my home health agency and thousands of other home health agencies across the country.

I am extremely concerned that our long history of service to the residents of Nebraska is at risk due to the significant payment reductions that CMS started in 2020 when the new payment model, the Patient Driven Groupings Model (PDGM), was implemented, and what appears to be a lack of appreciation by CMS and others of the role home health plays in the broader health care delivery system.

I want to stress that we are at an inflection point within the home health delivery system.

If CMS does not retract the payment cuts being proposed for 2024, if the Administration allows the payment cuts to proceed, and if Congress does not act to reverse CMS' policy to impose double digit payment reductions, we could likely see the complete collapse of the home health payment system.

Mary Lanning Home Health has seen our average daily census count reduced by more than 60 percent since the implementation of PDGM, from an average of 88 patients in 2020 to a census count in September 2023 of 32.

It's not because there is not a need and demand for home health services, but rather due to a perfect storm of a workforce crisis, high inflation, and Medicare payment reductions for home health services that are not only putting a financial strain on our agency but also limiting our ability to recruit and retain the nurses, therapists, and home health aides that are vital to our ability to deliver care in the home.

Mary Lanning Home Health previously covered a 13-county, 60-mile radius of Hasting, which included Adams, Buffalo, Clay, Fillmore, Franklin, Hall, Hamilton, Howard, Kearney, Merrick, Nuckolls, Thayer, and Webster counties.

In March of this year, we had to decrease our service area to 40 miles. Several months later, in May, we had to make the difficult decision to further reduce our service area to cover only Adams County, which covers a 25-mile radius including the city of Hastings.

Some of the previous counties that we served have no coverage by any home health provider. One home health provider moved their office from Hastings because they were down to one registered nurse. They have now joined with their partnered location in Grand Island. Several other home health agency providers do not accept Medicaid patients or only take patients who are in-network or those that require too much care.

Hospitals are seeing higher-acuity patients than in previous years, and our agency is providing more intensive home health services to a population that has more complex needs and increased comorbidities. We have limited admitting patients that require too much skilled care because we simply lack the workforce to provide the high-quality care necessary for a successful home health outcome.

When a patient isn't able to be admitted to our home health agency, the result is either longer lengths of stay in the acute setting, placement in a skilled nursing facility, or foregoing post-acute care all together.

The decision for a home health agency to reduce its service area, especially in rural counties, is incredibly difficult since we know there will be patients living in those areas that need our services. However, reducing our service area is the only path forward that allows our home health agency to remain financially viable and continue to serve some patients who need home health services, albeit in a reduced geographic location.

As I noted, reducing our service area from 13 counties to one was necessary to survive and provide care to some patients in our area. We very much wish we did not have to take this drastic step, particularly because we knew there would be no alternative home health agencies for the affected areas.

The drastic reduction in our service area just to remain operational is having a direct impact on Medicare beneficiaries. This year alone, we have declined services to 55 referrals because the patients were outside our reduced service area. That is a rejection rate of over 50 percent through August of this year. Our dedicated staff is heartbroken because their mission is patient care, but we had no choice.

Since 2020, our traditional Medicare home health agency payments have been cut by more than 8%. The annual payment updates in 2021 and 2022 didn't begin to cover the dramatic rise in labor costs due to the increased demand in nursing services caused by the COVID-19 pandemic and the ongoing workforce shortage, or the rapid rise in our supply costs due to the surge in inflation. As Medicare payments for services started to be cut, our revenue started to decline. From 2020 to 2022, we experienced a 15 percent reduction in revenue for our services.

CMS' actions to reduce home health payments are also having a direct impact on our ability to retain our existing workforce.

We have had three registered nurses resign due to fear that the looming payment cuts being proposed by CMS will force the agency to close. The three nurses did not leave nursing; instead, they went to work for other healthcare providers rather than risk remaining with Mary Lanning Home Health.

We are now down to three full-time registered nurses and one part-time registered nurse. Since we have reduced our service area, we have reduced our costs as much as possible. We have eliminated a billing and coding specialist and are now providing those functions within a shared service arrangement with our hospice. We had our registered nurse clinical manager resign, and that position has been eliminated. We no longer provide on-call availability after 4:30 PM during the week and now have a voicemail set up for follow-up the next morning.

The instability that is being created within the home health program by CMS is forcing the home health workforce to seek employment elsewhere rather than risk working at a home health agency that could close at any time due to insolvency. Think about what I just said: the Medicare program is failing to fulfill its promises to Nebraskans and the millions of Medicare beneficiaries who need home health services.

Inpatient stays are expensive. Daily room and board costs can reach \$3,000 per day, and this does not count medications, tests, and treatments. The cost is significantly higher if a patient is

rehospitalized and admitted to the ICU. The loss of home health services is highly likely to trigger these added costs to the Medicare program.

In 2022, Mary Lanning Home Health prevented 93.5 percent of the 1,059 patients we served from being readmitted to the hospital, averaging a 7.6 percent readmission rate that was well below the state and national averages. Year to date through July 2023, Mary Lanning Home Health has prevented 93.7 percent of the 558 patients we served from being rehospitalized. We have a 5-star patient satisfaction rating on home health compare.

In addition to the skilled care provided within the home health benefit, our clinicians assist patients with transitioning to their home after being hospitalized by teaching and training new medications and advocating for adaptations in the home for patient safety.

The high-quality home health services we provide are not only patient-preferred but also improve patient outcomes and provide savings to the Medicare program. And you don't have to take my word for the savings to the program; CMS' own data has confirmed the value of the home health program through its Home Health Value-Based Purchasing (HHVBP) Model, which has reduced Medicare spending by hundreds of millions of dollars already.

As we look to prepare for 2024, with the pending payment reductions that CMS has proposed and the potential for payment reductions spanning past 2030, we are doing everything possible to remain operational.

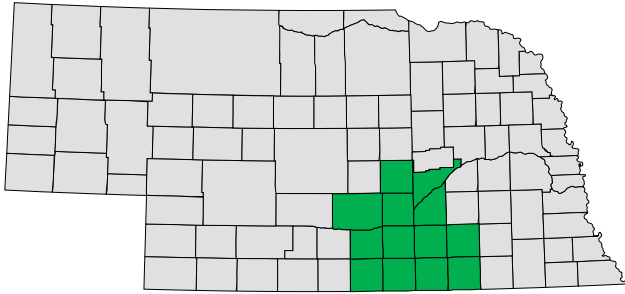
There are agencies throughout Nebraska and the country that are at serious risk of closure.

I understand that some have already closed or reduced service areas, as we have at Mary Lanning Home Health. Agencies simply cannot cut expenses any more than we have already and remain viable without impacting the quality of care and the level of services we provide.

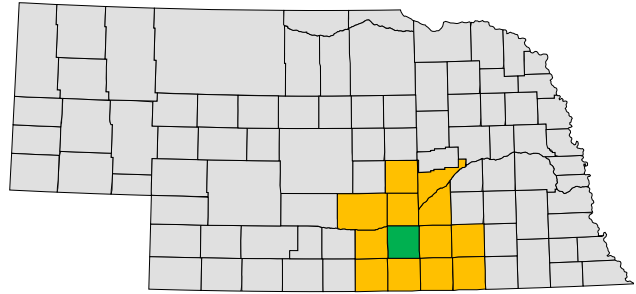
At Mary Lanning Home Health, the only alternative we will have if CMS does not reverse course is for the agency to close or hope that another home health provider comes to take over our service area. We should not have to hope that Medicare adequately supports the vital and essential care covered under the home health services benefit.

Mary Lanning Healthcare Home Health Change in Home Health Service Area

**January 1, 2023
13 County Service Area**



**May 1, 2023
Adams County Only**



Nebraska County	Medicare Eligible	Traditional Medicare Enrolled	Medicare Advantage Enrolled	Traditional Medicare Enrolled % of Medicare Eligible	Medicare Advantage Enrolled % of Medicare Eligible
Adams	7,015	4,865	2,150	69%	31%
Buffalo	9,280	6,328	2,952	68%	32%
Clay	1,522	1,162	360	76%	24%
Fillmore	1,569	1,197	372	76%	24%
Franklin	837	606	231	72%	28%
Hall	11,061	6,848	4,213	62%	38%
Hamilton	2,301	1,705	596	74%	26%
Howard	1,545	1,104	441	71%	29%
Kearney	1,310	869	441	66%	34%
Merrick	1,904	1,387	517	73%	27%
Nuckolls	1,295	1,128	167	87%	13%
Thayer	1,398	1,111	287	79%	21%
Webster	910	630	280	69%	31%
Total	41,947	28,940	13,007		

Nebraska Medicare Enrollment by County

as of September 15, 2023

Nebraska County	Medicare Eligible	Traditional Medicare Enrolled	Medicare Advantage Enrolled	Traditional Medicare Enrolled % of Medicare Eligible	Medicare Advantage Enrolled % of Medicare Eligible
Adams	7,015	4,865	2,150	69%	31%
Antelope	1,651	1,251	400	76%	24%
Arthur	110	110	0	100%	0%
Banner	270	253	17	94%	6%
Blaine	120	120	0	100%	0%
Boone	1,438	974	464	68%	32%
Box Butte	2,617	2,397	220	92%	8%
Boyd	655	569	86	87%	13%
Brown	735	711	24	97%	3%
Buffalo	9,280	6,328	2,952	68%	32%
Burt	1,910	1,354	556	71%	29%
Butler	1,898	1,475	423	78%	22%
Cass	5,742	3,758	1,984	65%	35%
Cedar	2,083	1,381	702	66%	34%
Chase	918	857	61	93%	7%
Cherry	1,365	1,353	12	99%	1%
Cheyenne	2,407	2,196	211	91%	9%
Clay	1,522	1,162	360	76%	24%
Colfax	1,609	1,281	328	80%	20%
Cuming	2,225	1,797	428	81%	19%
Custer	2,706	2,065	641	76%	24%
Dakota	3,508	2,027	1,481	58%	42%
Dawes	1,810	1,588	222	88%	12%
Dawson	4,431	3,672	759	83%	17%
Deuel	557	500	57	90%	10%
Dixon	1,243	751	492	60%	40%
Dodge	8,435	5,567	2,868	66%	34%
Douglas	95,335	54,191	41,144	57%	43%
Dundy	504	455	49	90%	10%
Fillmore	1,569	1,197	372	76%	24%
Franklin	837	606	231	72%	28%

Source: Centers for Medicare Medicaid Services, State County Penetration Data for Medicare Advantage, September 2023.

Nebraska Medicare Enrollment by County

as of September 15, 2023

Nebraska County	Medicare Eligible	Traditional Medicare Enrolled	Medicare Advantage Enrolled	Traditional Medicare Enrolled % of Medicare Eligible	Medicare Advantage Enrolled % of Medicare Eligible
Frontier	618	510	108	83%	17%
Furnas	1,369	1,122	247	82%	18%
Gage	5,744	3,913	1,831	68%	32%
Garden	625	545	80	87%	13%
Garfield	477	326	151	68%	32%
Gosper	544	442	102	81%	19%
Grant	183	183	0	100%	0%
Greeley	607	463	144	76%	24%
Hall	11,061	6,848	4,213	62%	38%
Hamilton	2,301	1,705	596	74%	26%
Harlan	915	725	190	79%	21%
Hayes	205	191	14	93%	7%
Hitchcock	803	703	100	88%	12%
Holt	2,651	2,117	534	80%	20%
Hooker	251	227	24	90%	10%
Howard	1,545	1,104	441	71%	29%
Jefferson	2,005	1,394	611	70%	30%
Johnson	899	684	215	76%	24%
Kearney	1,310	869	441	66%	34%
Keith	2,253	1,772	481	79%	21%
Keya Paha	273	252	21	92%	8%
Kimball	1,035	976	59	94%	6%
Knox	2,329	1,519	810	65%	35%
Lancaster	55,926	37,778	18,148	68%	32%
Lincoln	8,191	5,869	2,322	72%	28%
Logan	170	145	25	85%	15%
Loup	176	125	51	71%	29%
Madison	7,464	4,744	2,720	64%	36%
McPherson	101	87	14	86%	14%
Merrick	1,904	1,387	517	73%	27%
Nance	684	509	175	74%	26%

Source: Centers for Medicare Medicaid Services, State County Penetration Data for Medicare Advantage, September 2023.

Nebraska Medicare Enrollment by County

as of September 15, 2023

Nebraska County	Medicare Eligible	Traditional Medicare Enrolled	Medicare Advantage Enrolled	Traditional Medicare Enrolled % of Medicare Eligible	Medicare Advantage Enrolled % of Medicare Eligible
Nemaha	1,609	1,311	298	81%	19%
Nuckolls	1,295	1,128	167	87%	13%
Otoe	3,917	2,814	1,103	72%	28%
Pawnee	635	477	158	75%	25%
Perkins	712	612	100	86%	14%
Phelps	2,157	1,744	413	81%	19%
Pierce	1,591	1,112	479	70%	30%
Platte	6,949	5,527	1,422	80%	20%
Polk	1,372	1,127	245	82%	18%
Red Willow	2,564	2,374	190	93%	7%
Richardson	2,185	2,017	168	92%	8%
Rock	397	328	69	83%	17%
Saline	2,693	1,932	761	72%	28%
Sarpy	29,698	19,149	10,549	64%	36%
Saunders	4,651	3,095	1,556	67%	33%
Scotts Bluff	8,508	6,199	2,309	73%	27%
Seward	3,732	2,782	950	75%	25%
Sheridan	1,381	1,221	160	88%	12%
Sherman	893	616	277	69%	31%
Sioux	282	258	24	91%	9%
Stanton	1,108	720	388	65%	35%
Thayer	1,398	1,111	287	79%	21%
Thomas	202	166	36	82%	18%
Thurston	998	727	271	73%	27%
Valley	1,085	777	308	72%	28%
Washington	4,649	2,830	1,819	61%	39%
Wayne	1,612	1,194	418	74%	26%
Webster	910	630	280	69%	31%
Wheeler	174	137	37	79%	21%
York	3,289	2,634	655	80%	20%

Source: Centers for Medicare Medicaid Services, State County Penetration Data for Medicare Advantage, September 2023.