



Medicaid Reimbursement Rates and Home Care Workers' Economic Outcomes

Presenter: Kimi Li, Wharton Dean's SUMR Scholar
Mentor: Amanda Kreider, PhD

Research Team



Amanda Kreider



Pilar Gonalons-Pons



Allison Hoffman



Norma Coe



Katherine Miller



Katherine Rohde



Kimi Li

Funded by the Penn LDI Small Grants Program

Table of contents

01

Background

02

Aims

03

Methods

04

Results

05

Implications

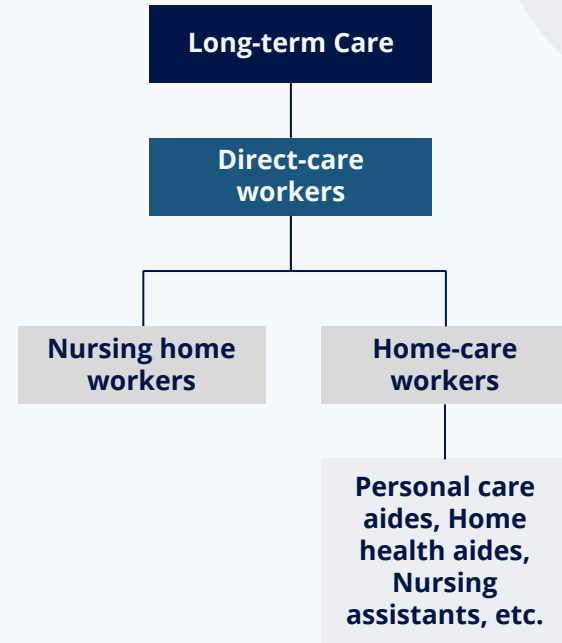
06

My Role/
Lessons
Learned



What is Long-Term Care?

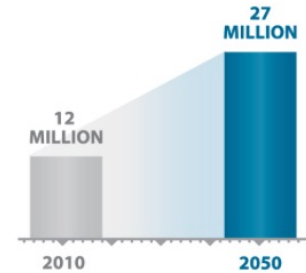
- **Long-term services and supports (LTSS):** a variety of services that assist an individual's personal care needs over long periods of time.
 - **Direct-care workers:** health or nursing aides working in nursing psychiatric, home health, or personal care.
 - **Home-care workers:** subset of direct care workers who work in **Home and Community Based Settings (HCBS)**.



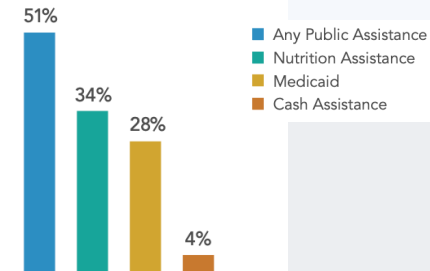
Background

- LTSS is one of the fastest growing sectors of the economy due to an increasing prevalence of an aging population.
- HOWEVER, long-term care workers face many challenges:
 - Low pay and low job quality, high poverty and high turnover rates, unsafe working conditions
 - Disproportionately made up of women and people of color

The Number of Americans Needing Long-Term Care Will More Than Double by 2050



HOME CARE WORKERS ACCESSING PUBLIC ASSISTANCE 2014



HELP WANTED: HOME HEALTH AIDES

A pandemic shortage of workers has left families struggling to find care at home

By Jason Laughlin
STAFF WRITER

THE illness struck Lisa Parladé's father in September swiftly and without warning.

A serious intestinal condition, it required surgery and a long, painful recovery. In its wake, he has experienced cognitive decline. Santiago Parladé, 77, who used to cook his own meals and drive his own car could no longer care for himself. He suddenly relied on his daughter for everything, even bathing.

"This is a person who's raised me and taken care of me and you want to do the same thing for them in their time of need," said the 34-year-old student adviser at the University of Pennsylvania, "but I don't have the training, I don't have the expertise, I don't have the time."

Finding a home health aide be-



Cindy Addenbrook, 43, lives in Manayunk, but from February 2020 to August 2021 she and her brother from Texas moved in with their mother, Carolyn, in St. Louis. Their 76-year-old mother had been hospitalized in 2020 with sepsis and continued experiencing chronic infections, along with diabetes, high blood pressure, and kidney problems. Her rehab period ended about as the pandemic lockdowns began, but in the following months her children decided it was safer to keep her home.

"We were doing IV antibiotics, doing wound care," Addenbrook said. "All of those things."

At the same time, Addenbrook's father was in an assisted living facility and they couldn't visit him because of COVID-19 protocols. They saw his health decline from a distance.

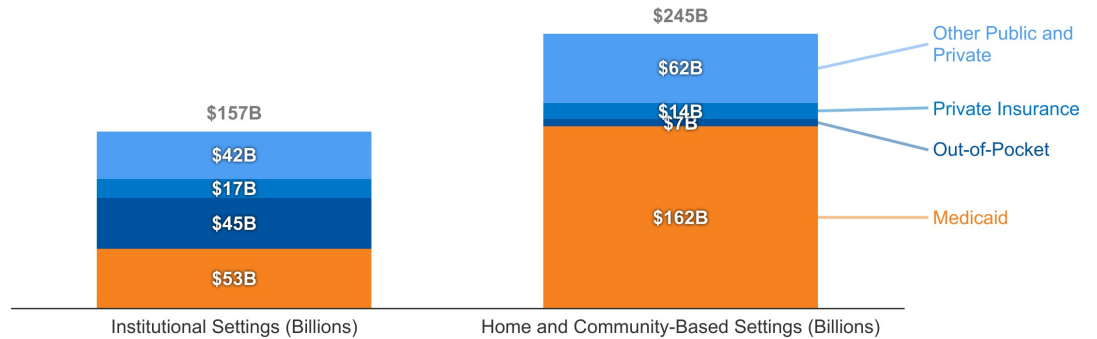
Both siblings worked full time remotely, using a whiteboard schedule to make sure they didn't

Medicaid and Long- Term Care

Figure 3

The U.S. Spent Over \$400 Billion On LTSS In 2020, Nearly 10% Of All National Health Care Expenditures.

Medicaid paid \$53 billion on institutional care and \$162 billion on care in home and community settings, over half of all spending on LTSS.



NOTE: Total paid LTSS expenditures include spending on residential care facilities, nursing homes, Medicaid home health services, and home and community-based waiver services but excludes Medicare post-acute care. Other Public and Private includes Children's Health Insurance Program, the Department of Defense, the Veterans Health Administration, worksite health care, other private revenues, Indian Health Services, workers' compensation, general assistance, maternal and child health, vocational rehabilitation, other federal programs, Substance Abuse and Mental Health Services Administration, other state and local programs, and school health.

SOURCE: KFF estimates based on 2020 National Health Expenditure Accounts data from CMS, Office of the Actuary



Source: Kaiser Family Foundation

Aims

Examining the impact of Medicaid reimbursement rates on job quality (i.e., wages and benefits) for long-term care workers.

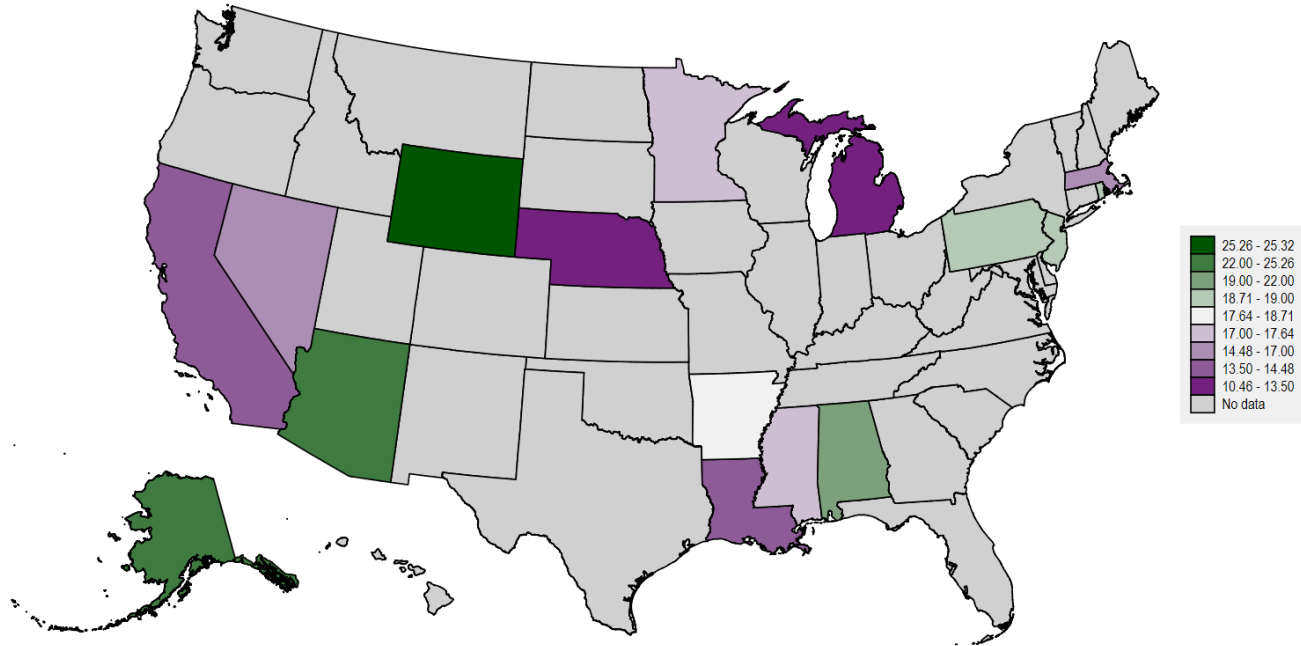


Methods

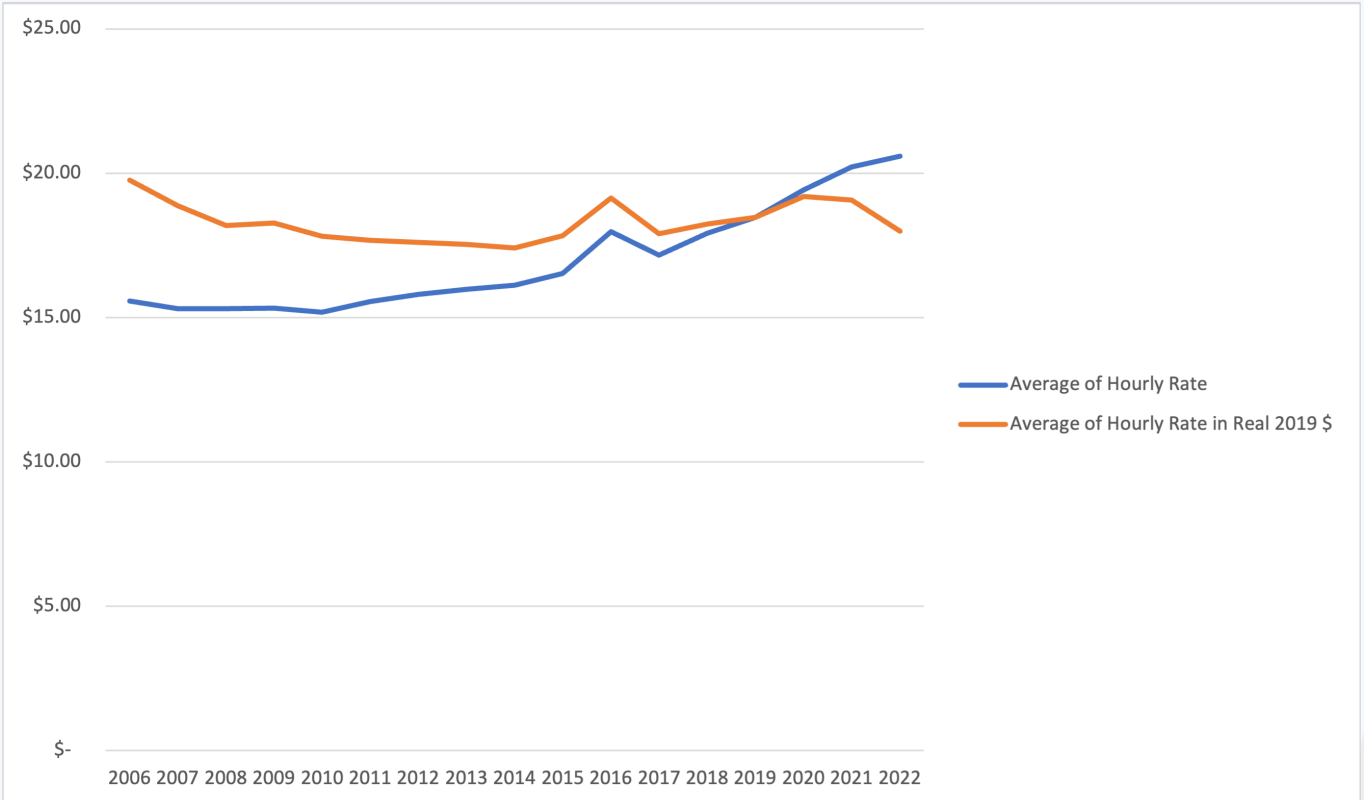
- Contacting all 50 state Medicaid offices directly to gather data on Medicaid reimbursement rates from 2006-present.
 - Freedom of Information Act (FOIA)
- Identifying home-care services with procedure codes
 - **T1019**: personal care, per 15 min, **T1020**: personal care, per diem
 - **S5125**: attendant care services, per 15 min, **S5126**: attendant care services, per diem
 - **S5130**: homemaker services, per 15 min, **S5131**: homemaker services, per diem

Results (so far)

Personal care service rate averages across the U.S.



Results (so far)



Results (so far)

- The average Medicaid reimbursement rate for long-term care workers in 2019 was \$18 per hour.
- When inflation is taken into consideration to standardize buying power over time, rates after 2016 stagnate and decrease over time.
 - This means that the rate at which long-term care workers are being reimbursed are not increasing fast enough as inflation.

Implications

- Policymakers may be able to impact workers' wages and benefits by indirectly increasing Medicaid reimbursement rates.
- We hypothesize that when Medicaid reimbursement rates are increased, the job quality (i.e., wages and benefits) will improve for long-term care workers.
 - But there is little known about this topic

Lessons Learned

- Expand my knowledge on public health insurance programs in the U.S. and the different services that it covers
- How to submit FOIA requests to state Medicaid offices; interpret fee schedules
- Stata
- Literature Review
- Firsthand experience doing research on Medicaid in regard to health disparities
- Drafting manuscripts (future)

Acknowledgements

- Amanda Kreider, PhD
- Pilar Gonalons-Pons, PhD
- Allison Hoffman, JD
- Norma Coe, PhD
- Katherine Miller, PhD
- Katherine Rohde, JD Candidate
- Joanne Levy, MBA, MCP
- Chinwe Nwadiogbu, MLA
- Wharton Dean's Office
- SUMR 2023 Cohort



Thank you!
Questions?