

# COVID-19 and the future of HCBS

Jill Herbold, FSA, MAAA  
Nicholas Johnson, FSA, MAAA



Millions of Americans with chronic or disabling conditions rely on home and community-based services (HCBS) to meet daily self-care and independent living needs. These services enable participants to remain safely in their homes and communities rather than moving to a nursing home or other institutional setting. The COVID-19 pandemic has presented numerous challenges and had a significant impact on the provision of HCBS.

State Medicaid programs are the largest payer for HCBS across the United States.<sup>1</sup> They have used available emergency authorities<sup>2</sup> to take many actions to help ensure the continued provision of services during the pandemic as well as to address increased social isolation and mental health concerns in program participants. In this paper, we discuss some challenges faced, actions taken, and the impact that the COVID-19 pandemic may have on HCBS for years to come. Understanding these impacts is vital for informed policy decisions and financial projections.

## Home care services

The COVID-19 pandemic has affected both the supply and demand for home care services, which provide assistance with activities of daily living (ADLs) within participants' homes, and shined a light on challenges that existed prior to the pandemic.

The home care workforce has been reduced as a result of workers quarantined due to COVID-19 exposure, unavailable due to family obligations (e.g., lack of daycare) or logistical constraints (e.g., lack of public transportation), and safety concerns.<sup>3</sup> However, the closure of businesses has helped to offset this reduced capacity by increasing the availability of family caregivers due to unemployment.<sup>4</sup>

The tightening of nursing home and assisted living admission policies and concerns about the safety of congregate settings have increased demand for home care services as an alternative to those settings.<sup>5</sup> However, demand has also been reduced due to some participants canceling services out of concern for their own safety or having more family support.<sup>6</sup>

In response to the pandemic, home care has adapted protections, such as screening workers and increasing requirements for personal protective equipment (PPE), like the rest of the healthcare industry.<sup>7,8</sup> Telehealth has been used as a substitute for some in-person home care services such as needs assessments, but virtual care is not a viable replacement for home care services that require in-person assistance with ADLs, such as bathing and dressing.<sup>9</sup>

<sup>1</sup> Eiken, S., Sredi, K., Burwell, B. et al. (May 2018). Medicaid Expenditures for Long-Term Services and Supports in FY 2016. Medicaid IAP. Retrieved September 1, 2020, from <https://www.medicaid.gov/sites/default/files/2019-12/ltss expenditures 2016.pdf>.

<sup>2</sup> Please refer to the Milliman paper "Meeting the needs of Medicaid Home and Community-Based Services program participants during the COVID-19 pandemic and beyond" for a discussion of emergency authorities available to states.

<sup>3</sup> Home Care Association (April 8, 2020). New survey of home care providers examines workforce, supply, financial impacts of COVID-19 in NYS. Press release. Retrieved September 1, 2020, from <https://hca-nys.org/press-releases/new-survey-of-home-care-providers-examines-workforce-supply-financial-impacts-of-covid-19-in-nys>.

<sup>4</sup> Bryant, B. (June 22, 2020). Market Forecast: COVID-19's Long-Term Impact on Home Care. Home Health Care News. Retrieved September 1, 2020, from <https://homehealthcarenews.com/2020/06/market-forecast-covid-19s-long-term-impact-on-home-care/>.

<sup>5</sup> Mensik, H. (July 17, 2020). Home healthcare sees surge in wake of COVID-19 nursing home fears. Healthcare Dive. Retrieved September 1, 2020, from

<https://www.healthcaredive.com/news/nursing-home-avoidance-spurs-home-healthcare-job-gains/581707/>.

<sup>6</sup> Galewitz, P. (March 25, 2020). Are vital home health workers now a safety threat? Kaiser Health News. Retrieved September 1, 2020, from <https://khn.org/news/are-vital-home-health-workers-now-a-safety-threat/>.

<sup>7</sup> Washington State Department of Health (April 16, 2020). COVID-19 Guidance for Home Care, Home Health, and Hospice Agencies. Retrieved September 1, 2020, from <https://www.doh.wa.gov/Portals/1/Documents/1600/coronavirus/HomeHealth-Hospiceguidance.pdf>.

<sup>8</sup> Healthline. How Home Healthcare Workers Are Navigating the COVID-19 Outbreak: Screening Workers. Retrieved September 1, 2020, from <https://www.healthline.com/health-news/how-home-healthcare-workers-are-navigating-the-covid-19-outbreak#Screening-workers>.

<sup>9</sup> Musumeci, M. & Chidambaram, P. (April 16, 2020). COVID-19 Issues and Medicaid Policy Options for People Who Need Long-Term Services and Supports. Kaiser Family Foundation. Retrieved September 1, 2020, from <https://www.kff.org/coronavirus-covid-19/issue-brief/covid-19-issues-and-medicaid-policy-options-for-people-who-need-long-term-services-and-supports/>.

Attracting and maintaining a workforce is critical to meeting the needs of the HCBS population. This has long been a challenge for the home care industry and perhaps even more of a challenge during the pandemic due to the increased risk of the work environment, where social distancing is often not possible.<sup>10</sup> Some states have reacted to these challenges by temporarily increasing reimbursement to providers, enabling increased wages to workers due to the heightened risk of their work environment.<sup>11</sup> Other measures have been implemented by states and advocacy groups, including stronger training standards for workers; training and paying family caregivers; recognition programs for workers; and mental health, paid leave, and other supports for workers.<sup>12</sup> A prolonged recession could increase the potential employment pool. Changes that are successful in attracting and maintaining the home care workforce during the pandemic may continue to be adapted long after the pandemic is over.

## Community services

Community-based organizations (CBOs) play a key role in providing services and supports to individuals with functional impairments. In addition to workforce challenges similar to those in the home care industry, COVID-19 poses unique challenges for CBOs and individuals served by them due to the wide range of settings and services.

Demand for community-based services has changed dramatically in response to the health pandemic. For organizations that provide services in a group setting, such as adult day care, social distancing requirements resulted in the closure or significant reduction in services at the onset of the public health emergency.<sup>13</sup> Some closures and reduced capacity persist through the time of publication. Additionally, supported employment services and nonemergency transportation to doctors' offices, grocery stores, and other locations, as well as other services, have been less available.<sup>14</sup> Other programs, particularly those provided outside of

congregate settings such as home-delivered meals, have experienced an increase in demand from at-risk populations that were less able to leave home.<sup>15</sup>

CBOs have taken varied approaches to adapt to the challenges posed by the COVID-19 pandemic. Some have been able to transition in-person services to virtual sessions. For example, some adult day care programs have been able to provide virtual sessions to connect individuals with healthcare providers and fellow day care participants.<sup>16</sup> Other organizations have repurposed staff to increase outreach by care managers, for example, or utilized alternative settings such as schools and churches to provide services.<sup>17</sup> In some cases, CBOs experiencing increased demand have been able to draw resources from the private sector. For example, increased need for home-delivered meals, since community-based programs with meals have been less available, has been partially met through partnerships with restaurants with additional capacity due to restrictions on dine-in services.<sup>18</sup>

Many CBOs are small, local nonprofit entities that have little cash reserves to sustain them.<sup>19</sup> Many are also dependent on charitable contributions and direct and indirect government support for funding. To help address provider financial troubles, some state Medicaid programs have implemented retainer payments which allow for continued funding of certain CBOs that have had to reduce services due to social distancing requirements.<sup>20</sup> While retainer payments are certainly helpful, they may not impact all CBOs or provide enough financial assistance to sustain an organization. Thus, the availability of services provided by CBOs may be reduced during and after the pandemic.

While the pandemic is likely to present significant long-term challenges, the increased ability of CBOs to provide services using alternative modalities, care settings, and providers during the current public health emergency may result in greater accessibility of community-based services to individuals in need.

<sup>10</sup> Healthline, Screening Workers, op cit.

<sup>11</sup> Moorhead, K., Herbold, J., Mori, B. et al. (May 2020). Meeting the Needs of Medicaid Home and Community-Based Services Program Participants During the COVID-19 Pandemic and Beyond. Milliman White Paper. Retrieved September 1, 2020, from [https://milliman-cdn.azureedge.net/-/media/milliman/pdfs/articles/3135hdp\\_hcbs-covid-19\\_20200511.ashx](https://milliman-cdn.azureedge.net/-/media/milliman/pdfs/articles/3135hdp_hcbs-covid-19_20200511.ashx).

<sup>12</sup> LeadingAge LTSS Center (March 25, 2020). Fighting the Coronavirus Requires a Strong Direct Care Workforce. Retrieved September 1, 2020, from <https://www.ltsscenter.org/fighting-the-coronavirus-requires-a-strong-direct-care-workforce/>.

<sup>13</sup> Flinn, B. (April 9, 2020). States Take Action to Sustain Adult Day Services Through COVID-19. LeadingAge. Retrieved September 1, 2020, from <https://leadingage.org/regulation/states-take-action-sustain-adult-day-services-through-covid-19>.

<sup>14</sup> APSE (March 30, 2020). APSE Statement on Employment First During the COVID-19 Crisis. Retrieved September 1, 2020, from <https://apse.org/apses-statement-on-employment-first-during-the-covid-19-crisis/>.

<sup>15</sup> Meals on Wheels America. COVID-19 Response. Retrieved September 1, 2020, from <https://www.mealsonwheelsamerica.org/take-action/covid-19-response>.

<sup>16</sup> Better Care Playbook (June 30, 2020). Presentation: Caring for Older Adults With Complex Needs in the COVID-19 Pandemic: Lessons From PACE Innovations. Retrieved September 1, 2020, from <https://www.chcs.org/media/Playbook-PACE-webinar-slides-final-063020.pdf>.

<sup>17</sup> Terzaghi, D. (March 19, 2020). COVID-19 Updates. ADvancing States. Retrieved September 1, 2020, from <https://www.nadsa.org/wp-content/uploads/2020/03/Memorandum-on-Adult-Day-and-COVID.pdf>.

<sup>18</sup> California All (August 4, 2020). Great Plates Delivered: Home Meals for Seniors. Retrieved September 1, 2020, from <https://covid19.ca.gov/restaurants-deliver-home-meals-for-seniors/>.

<sup>19</sup> Avalere. Impact of COVID-19 on Organizations Serving Individuals With Intellectual and Developmental Disabilities. Retrieved September 1, 2020, from [https://www.ancor.org/sites/default/files/impact\\_of\\_covid-19\\_on\\_organizations\\_serving\\_individuals\\_with\\_idd.pdf](https://www.ancor.org/sites/default/files/impact_of_covid-19_on_organizations_serving_individuals_with_idd.pdf).

<sup>20</sup> Terzaghi, D. op cit.

## Social isolation and mental health issues

HCBS program participants often have movement, hearing, or other limitations that serve to limit their interactions with other people. Additionally, many live alone because they have survived their spouses and friends, or do not have other family close by. In normal times, these circumstances can lead to loneliness, depression, and other conditions that further complicate existing physical and mental health issues. With physical distancing currently the primary mechanism to protect a person from COVID-19, HCBS program participants are even more at risk for social isolation and its related health issues in the current environment. States are addressing social isolation and mental health issues during the current pandemic using a variety of approaches, several of which may be more widely used post-pandemic if they are successful.

Telephone calls and video calls that allow face-to-face interactions enable people to maintain contact with their family and friends while still maintaining physical distance. Some state Medicaid programs are providing select participants with tablets, smartphones, or similar technology that support telephone and/or video calls.<sup>21</sup> HCBS program participants may have difficulty with these technologies due to age or functional impairment, so training and frequent use will be important to making this approach successful.

Virtual sessions that use video call technology are another potential way to reduce the impact of social isolation. Such sessions could include group discussion on books or other topics, lectures or classes, structured sessions to participate in games such as bingo or exercise, and real-time performances. With some creativity, it is possible to develop a virtual version of many sessions with social interaction that have traditionally been offered by adult day care programs, community senior centers, assisted living facilities, and other resources.

Similar to the expanded use of telehealth services that has happened since the beginning of the COVID-19 pandemic, video call technology can also be used to expand the availability of counseling services with psychiatrists, psychologists, and other behavioral health providers. Video call technology can also be used to expand services to underserved geographic areas.

Finally, we note that some states, such as Florida<sup>22</sup> and New York,<sup>23</sup> are providing robotic pets to select program participants. Robotic pets provide companionship without requiring food, vet bills, and other care that live pets need. They have been shown to have positive effects similar to that of traditional pet therapy.<sup>24</sup> Robotic pets do not require the use of video call technology so they may be particularly helpful to participants that continue to be uncomfortable with or unable to use the technology.

## Conclusion

An aging population and emphasis on aging in place have driven an increase in demand for HCBS over the past several years. The COVID-19 pandemic has already resulted in significant changes in the delivery of HCBS and may further increase future demand due to heightened awareness of infectious disease and increasing aversion to congregate living arrangements such as assisted living, adult family homes, and nursing facilities. Some actions taken in response to the pandemic to utilize alternative modalities, attract and maintain the HCBS workforce, sustain financial viability of HCBS providers, and address social isolation and mental health issues of program participants will likely prove useful in meeting the future increase in demand for these services.

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### CONTACT

Jill Herbold  
[jill.herbold@milliman.com](mailto:jill.herbold@milliman.com)

Nicholas Johnson  
[nick.johnson@milliman.com](mailto:nick.johnson@milliman.com)

<sup>21</sup> Advancing States (August 4, 2020). Addressing Social Isolation for Older Adults During the COVID-19 Crisis. Retrieved September 1, 2020, from [http://www.advancingstates.org/sites/nasuad/files/u24453/Social%20Isolation%20Resource\\_08042020.pdf](http://www.advancingstates.org/sites/nasuad/files/u24453/Social%20Isolation%20Resource_08042020.pdf).

<sup>22</sup> Ibid.

<sup>23</sup> Advancing States. Combatting Social Isolation: A Suggested Business Solution. Retrieved September 1, 2020, from <http://www.advancingstates.org/combating-social-isolation-suggested-business-solution>.

<sup>24</sup> Petersen, S., Houston, S., Qin, H. et al. (October 1, 2016). The utilization of robotic pets in dementia care. J Alzheimers Dis. Retrieved September 1, 2020, from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5181659/>.