Western Illinois Home Health Care, Inc.
#2 Industrial Park Road ● PO Box 856 ● Monmouth, IL 61462
Monmouth: (309) 734-9376 ● Galesburg: (309) 342-2024
Toll Free: (800) 228-5993 ● Fax: (309) 734-5338

Thank you Chairwoman Miller-Meeks, Ranking Member Brownley, and the members of the Committee for this opportunity to provide testimony on the critical topic of the Veteran's Health Administration Community Care Program. And thank you Chairwoman Miller-Meeks and Ranking Member Brownley for the important legislation that you have successfully led through the legislative process to support veterans. I am honored to speak on behalf of the 121 Illinois veterans that we serve in our agency and on behalf of veterans served by Home Care Association of America (HCAOA) members across the nation.

I am the second generation running a family-owned home health and home care agency in West Central Illinois. We cover a 10 county, mostly rural, area and we have worked with the Department of Veterans Affairs (VA) providing home care for over 30 years. We currently do so as a contracted provider in the VA Community Care Network, operated by Optum. Through our agency, we provide veterans with Skilled Nursing, Physical Therapy, Occupational Therapy, Speech Therapy, Home Health Aide, Homemaker, and Respite services in a veteran's residence.

Community Care is not an alternative to the VA – it is an extension of it. For many veterans, especially those living in rural or remote areas, Community Care represents a vital lifeline. These veterans often face long travel times or limited specialty services at local VA facilities, making care in the home a necessary option. Community Care allows them to receive the right care, at the right time, in the right place – without sacrificing the VA's standards of excellence or their personal connection to the system that was built for them.

The success of Community Care hinges on a shared commitment to veteran-centered, team-based care. Veterans deserve coordinated services where VA and community providers work in partnership – not in competition. Over our 30 years working with the VA, we have always had good relationships with the VISN 23 Veteran Affairs Medical Center in Iowa City and our local VA Outpatient Clinic in Galesburg, Illinois, working together to meet veteran needs.

Our experience has been that there have been process changes within the VA in the last two years that have created barriers to veteran access and care. These changes don't appear to be in line with the spirit of the MISSION Act.

Current Barriers to Veteran Access

Reducing and Eliminating Authorized Services for Veterans

At the beginning of 2024, we began to see the VA systematically and routinely reduce

or eliminate Community Care services for veterans who had qualified for and relied upon these services for years.

The VISN 23 instituted a new centralized process wherein the VISN Inter-Disciplinary Team (IDT) determines what will be authorized based on limited information taken from the patient's chart and a phone call questionnaire to the veteran. Our veterans have reported that they are often confused with this phone call and are too embarrassed to fully disclose what their caregivers do to assist them, particularly with intimate care such as toileting and bathing or in cases where the nurse helps the veteran to maintain stability through medication management and behavioral health nursing. The Iowa City VA case managers, and even the veteran's provider, have very little input or recourse when they disagree with the decision made by the IDT team.

Additionally, the IDT team often fails to take into account additional factors that only care in the home can assist with such as reducing veteran isolation, ensuring that medications are taken consistently and properly, and ensuring proper diet when a veteran has a chronic condition such as diabetes. No member of the VA IDT decision-making team conducts an in-home assessment or sees the veteran in person. Therefore, they are not equipped to accurately understand the veteran's needs and what services should be authorized.

Many of our veterans are reporting these concerns to us. Two long-time clients who have been negatively impacted by the VA's actions are highlighted below:

> One veteran we care for is a 79 year old veteran who lives alone in a small, rural town and has difficulty controlling his diabetes. He is unable to cook for himself or safely navigate the stairs to do laundry. He was denied homemaker services. When we requested authorization for physical therapy to help him to safely ambulate, this also was denied. Instead, they required him to drive 53 miles <u>each way</u> twice a week for 12 weeks to go to the VA Community Based Outpatient Clinic for PT. He continues to struggle with his activities of daily living.
>
> We also serve an 85 year old veteran who has difficulty ambulating and uses a cane due to a stroke, osteoarthritis, and a laminectomy procedure. He was denied home health aide caregiver services because he reported on the phone that he is able to shave his beard. However, the IDT team did not take into account his ability to perform other activities of daily living such as bathing, ambulating or dressing or to fully evaluate his care needs. Regrettably, he has been off of service for several months, and his condition has declined. If the VA does not deem home health aide services clinically appropriate for this veteran, when is it appropriate?

We request that care decisions remain with the local medical center and community care team who know the veteran and are better able to assess needs. We do not believe that non-local decisions like these are what our veterans have earned and are in direct opposition to the directive from Congress in the MISSION Act.

For the Committee's reference, the VA Medical Centers create an authorization to

provide care. A home care authorization usually allows for up to 20 hours of assistance with activities of daily living. But there is a consult issued by the Community Care team that specifies the actual care to be provided. And those hours are nearly always less than the authorization. We request the Committee to review the home care consults issued by VA Medical Centers so the Committee can see the disparities for themselves.

Shortened Authorizations

While the VA formerly provided stability and consistency in authorizing skilled home health, home health aide and homemaker services, new processes over the last 18 months have led to shorter authorizations with inconsistent timeframes. Earlier this year, VA cut the duration of authorizations in half, from 12 months to 6 months or less. This places a burden on VA Community Care staff to process authorization renewals at twice the volume which can lead to delays. This creates uncertainty for the veteran. We hear from nurses and case managers at the VA who are working to process Request for Service forms as quickly as possible but are overwhelmed by the work load. Returning authorizations to a 12 month authorization would create more consistency and free up nurses and case managers to have time to focus on urgent needs that require shorter authorizations. The authorization duration does not prohibit the VA from prescribing clinically appropriate care at any time, it only adds to the local paperwork burden.

Reduced Per Visit Rates

The VA issued the home health non-bundled fee schedule for 2025. We believe that there was an error in the calculation of the rates as they have been set well below the Medicare Low Utilization Payment Adjustment (LUPA) rates despite the fact that many of the same Medicare regulatory requirements apply to VA cases including OASIS completion. The fee schedule is also not consistent across the states. For example, Iowa, Illinois, and Indiana all have different rates for the following billing codes.

The following table shows the rates for Illinois in 15-minute increments and illustrates the substantial rate cuts that took place in January, 2025, some over 35%:

Procedure Code	Locality Description	Medicare Locality	2024 rate	2025 rate
G0299	SN	99	$41.88	$36.00
G0300	LPN	99	$30.57	$27.00
G0151	PT	99	$45.30	$36.04
G0157	PTA	99	$27.47	$23.78
G0152	OT	99	$38.69	$36.28
G0158	COTA	99	$29.90	$24.31
G0153	ST	99	$40.89	$39.17
G0156	HHA- HHC	99	$18.11	$11.59

S9122	HHA- MHS hourly	99	$72.44	$46.35
S5150	Respite	99	$18.11	$11.59
S5130	Homemaker	99	$10.97	$7.76

These new rates are below cost to provide care, and they don't take into account additional costs such as travel time and mileage. Agencies are only paid for time in the veteran's home regardless of how much travel it took to reach the veteran's home. Agencies have had to make some hard decisions on discontinuing therapy and nursing service in rural areas as we would be paying our therapists and nurses more than the VA is reimbursing. As a consequence, veterans will lose access to essential healthcare services that they have earned through their service to our country. Given the unique challenges faced by rural populations, it is vital and equitable that the new rates be adjusted to align with the appropriate Medicare LUPA levels to ensure that our veterans continue to receive the care they need without disruption. A veteran's care should not be worth less than a Medicare beneficiary.

As our veteran population ages and chronic conditions become more prevalent, the need for accessible home health and home-based care as well as community providers will only grow. These services reduce hospitalizations, improve quality of life, and support caregivers. Yet, too often, providers are unable to deliver these services because VA reimbursement rates do not meet the actual costs of care. We urge Congress and VA leadership to ensure that rates for skilled home health and home health aide, homemaker and respite services are sustainable, particularly in rural areas where provider availability is limited.

Why Community Care Matters and How We Can Work Together

Community Care matters because it enhances access, expands capacity, and supports choice for veterans – without replacing the foundational role of the VA. It is essential to allow for:

1. *Timely Access to Care*
   Many VA medical centers and clinics are at capacity or located far from where veterans live, especially in rural and underserved areas. Community Care gives veterans a timely option when VA wait times are long or travel is burdensome.

2. *Improved Health Outcomes*
   Getting the right treatment at the right time reduces complications, hospitalizations, and overall costs. Delayed care can worsen outcomes. Community providers help fill those gaps when VA resources are stretched.

3. *Veteran-Centered Choice*
   Community Care gives veterans more control over their healthcare decisions. Whether they need a specialist, behavioral health support, or home-based care, they can access what works best for their needs and circumstances.

4. *Specialized or Local Services*
   Some services – like advanced imaging, home health care, or rehabilitation – may not be available at every VA facility. Community partnerships allow veterans to receive specialized care locally, closer to family and support systems.

Community Care is not a workaround – it's a necessary part of a comprehensive, veteran-first healthcare system. When community providers and the VA work together, veterans benefit from timely, compassionate, and coordinated care – delivered wherever they are, whenever they need it.

Let me be clear: this is not a call for privatizing the VA. Community Care should complement, not replace, the VA's core services. Public-private partnerships must be rooted in shared standards and respect for the unique mission of the Department of Veterans Affairs.

We have an opportunity – and a responsibility – to ensure that every veteran receives care that is timely, high-quality, coordinated, and close to home. By strengthening Community Care as a complement to VA services, investing in home care and rural access, and ensuring providers are supported through fair reimbursement, we can fulfill the VA's sacred mission to those who have served.

Thank you for your time, and for your continued commitment to the health and dignity of America's veterans.

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HOME HEALTH CARE
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P: 800-228-5993 • F: 309-734-5338 • WWW.WIHHC.COM

VULNERABLE VETERANS FACE DEVASTATING CONSEQUENCES AS THEY LOSE VITAL IN-HOME CARE SERVICES

2025 FEE SCHEDULE UNDERMINES THE IN-HOME CARE BENEFIT VETERANS EARNED

The Veterans Administration's decision to lower rates for in-home care providers will have a significant negative impact on Veterans who rely on these services to maintain their independence and quality of life. Lower reimbursement rates may force care providers to reduce staff, cut hours, or even stop offering services, leaving local Veterans without the support they need. This can result in increased hardship for Veterans and their families, including worsened health outcomes, reduced access to necessary care, and a higher risk of hospitalization or institutionalization, ultimately undermining the VA's goal of supporting Veterans in living at home with dignity.

When the Veterans Administration lowers rates for in-home care providers, it can create significant challenges for Veterans who depend on these services to remain in their homes. This puts vulnerable Veterans at risk of deteriorating health, increased isolation, and a higher likelihood of requiring costly institutional care, all of which can diminish their quality of life and contradict the VA's mission to support veterans in living independently.

Executive Summary

The Department of Veterans Affairs (VA) recently issued their home health non-bundled rates for 2025 (Attachment A). We believe that there was an error in the calculation of the rates as they have been set well below the Medicare LUPA (Low Utilization Payment Adjustment) rates. This discrepancy poses a significant concern as it will directly impact Veterans living in rural areas.

Key Takeaways

- The Federal Register gives direction to the VA for rate setting. Per their guidelines, the VA rates should be based on Medicare LUPA rates, broken into 15 minute increments. The rates that went into effect on January 1 do not follow this methodology.
- These new rates are below the cost to provide care. Home care agencies are unable to continue servicing Veterans under these rates and will most negatively impact rural Veterans.
- The industry continues to see in-home services that Veterans have relied on for years reduced or eliminated, forcing vulnerable Veterans to travel as 50 miles or more to receive vital medical care. Those who are unable or unwilling to travel that far go without care.
- The VA is not demonstrating consistency in rate setting across the US with different states reporting different rates.
- The VA is not following directives as set forth in the VA Mission Act of 2018 or the Senator Elizabeth Dole 21st Century Veterans Healthcare and Benefits Improvement Act which both advocate for increased access to choice and care in the community for Veterans.

By The Numbers

- Currently, our agency sees 112 Veterans throughout our territory.
  - Of those, 23% receive care from our skilled care and supportive care service lines, enabling veterans to remain independent at home through comprehensive, in-home care.
  - In 2024, Veterans utilizing our services received roughly 22,000 hours of care.

Key Points

Offering home and community-based services through contracted in-home care providers offers innumerable benefits to Veterans, amongst them:

Aging In Place:

- Home care services allow aging Veterans to remain in their homes, maintaining a sense of normalcy and reducing the need for long-term facility care.

Improved Long-Term Health Management

- By receiving ongoing, in-home care, Veterans are better able to manage their long-term health needs, improving their overall well-being over time.

Enhanced Coordination of Care

- Home-based care promotes better coordination between different healthcare providers, ensuring Veterans receive comprehensive and cohesive care.

Reduction of Hospital Admissions

- Home care provides ongoing monitoring, which helps reduce hospital readmissions, ultimately improving Veteran health.

Improved Health Outcomes

- Home-based care allows for more personalized attention and better management of chronic conditions, leading to improved health outcomes.

Cost-Effectiveness of Care

- Providing care at home is less expensive for both Veterans and the VA, reducing overall healthcare costs compared to inpatient care or long-term care facilities.

Statistics

74%

A survey from the U.S. Department of Veterans Affairs found that **74% of Veterans prefer to receive care at home rather than in a facility** (VA, 2020).

60%

The National Institute on Aging reports that home and community-based services are approximately **60% less expensive** than nursing home care (National Institute on Aging, 2018).

20%

The VA's Home and Community-Based Services (HCBS) program has been shown to **save the VA approximately 20% per Veteran compared to institutional care** (VA, 2021).

200,000

The VA's Home and Community-Based Services program provides care for **over 200,000 Veterans** annually (VA, 2022).

22%

According to the National Veterans Foundation, **22% of Veterans suffer from PTSD, and providing in-home care significantly reduces isolation and mental health challenges** (National Veterans Foundation, 2020).

9 Million

The U.S. Census Bureau reports that more than **9 million** Veterans are 65 or older, a significant portion of whom are living with **chronic health conditions** that benefit from home-based care (U.S. Census Bureau, 2020).

30%

Over 30% of Veterans receiving VA home care services **have disabilities that require assistance with daily tasks** (VA, 2021).

15%

A study by the VA found that Veterans receiving home-based care had **15% fewer readmissions** to hospitals (VA, 2021).

30%

Research from the VA Health System has shown that home-based care programs result in a **30% improvement in care coordination for Veterans** (VA, 2020).

90%

A survey from AARP found that 90% of older adults **prefer to age in place rather than move to a facility**, highlighting the importance of home care (AARP, 2020).

60%

The VA found that home care services **reduced feelings of isolation for over 60% of Veterans** receiving these services (VA, 2022).

$ 2.5b

According to the Centers for Medicare & Medicaid Services, home care services saved the healthcare system **$2.5 billion annually by reducing unnecessary hospitalizations** (CMS, 2021).

Attachment A – Published VA Rates, Per 15-Minute Increments

Procedure Code	Locality Description	2024 rate	2025 rate	Change
G0299	Skilled Nursing	$41.88	$36.00	-14%
G0300	Licensed Practical Nurse	$30.57	$27.00	-12%
G0151	Physical Therapy	$45.30	$36.04	-20%
G0157	Physical Therapy Assistant	$27.47	$23.78	-13%
G0152	Occupational Therapy	$38.69	$36.28	-6%
G0158	Certified Occupational Therapy Assistant	$29.90	$24.31	-19%
G0153	Speech Therapy	$40.89	$39.17	-4%
G0156	Home Health Aide - Skilled Care	$18.11	$11.59	-36%
S9122	Home Health Aide - Supportive Care (hourly)	$72.44	$46.35	-36%
S5150	Respite	$18.11	$11.59	-36%
S5130	Homemaker	$10.97	$7.76	-29%