

# Strengthening the Home Care Workforce: The Urgent Need for Medicaid Rate Increases



## BACKGROUND

Florida ranks last in the nation for home health and personal care aides per 1,000 seniors, according to the 2024 America's Health Rankings Senior Report. With 32.5% of the state's population projected to be 60 or older by 2030, demand for in-home care is growing rapidly, yet critical workforce shortages threaten Florida's ability to meet this need.

A key driver of this crisis is Florida's outdated Medicaid reimbursement rates, which are among the lowest in the nation. These inadequate rates fail to cover the true cost of care, making it financially unsustainable for providers to recruit and retain care-givers. As a result, agencies struggle to maintain staff, turn away patients, or close entirely, leaving many Medicaid recipients without access to essential home-based care.

## CURRENT CHALLENGES

- **Workforce Shortages:** Florida has ranked 50th in the U.S. for home health and personal care aides per 1,000 seniors since 2016. In 2022, Florida had only 14 aides per 1,000 seniors, compared to the national average of 61.
- **High Turnover:** Home care turnover has hit a five-year high of 79.2%, with 63.3% of agencies forced to turn down cases due to staffing shortages.
- **Referral Rejections:** Home health acceptance rates have fallen below 35%, down from nearly 50% pre-pandemic, due to staffing shortages.
- **Strain on Families & Health Care System:** Without adequate in-home support, individuals go without care, experience worsening health that leads to costly hospitalizations, or require family members to leave the workforce to provide unpaid care — placing additional strain on families, employers, and Florida's health care system.
- **Inadequate Reimbursement & Escalating Costs:** As Florida's minimum wage increases to \$15 per hour by 2026, Medicaid reimbursement rates remain barely above this threshold, making it financially unsustainable for providers to recruit, retain, and operate effectively.

| Service – Provider (Payment Frequency)   | Fee-for-Service Rate (2024) | Managed Care Average (2023) | Average Hourly Wage (2023) |
|------------------------------------------|-----------------------------|-----------------------------|----------------------------|
| Home Health Services – Aide (Per Visit)  | \$18.04                     | \$15.16                     | \$15.08                    |
| Home Health Services – RN (Per Visit)    | \$32.07                     | \$61.82                     | \$39.45                    |
| Home Health Services – LPN (Per Visit)   | \$27.06                     | \$42.58                     | \$26.18                    |
| Personal Care Services – Aide (Per Hour) | \$17.32                     | \$18.67                     | \$15.08                    |
| Private Duty Nursing – RN (Per Hour)     | \$32.23                     | \$46.73                     | \$39.45                    |
| Private Duty Nursing – LPN (Per Hour)    | \$28.14                     | \$47.73                     | \$26.18                    |

RN – Registered Nurse • LPN – Licensed Practical Nurse • Aide – Home Health/Personal Care Aide

## PROPOSED SOLUTIONS

- **Expand Targeted Workforce Development Programs for Home Health Care**
  - Establish high school training programs to create early career pathways for direct care workers and clinicians.
  - Prioritize home health in workforce funding initiatives, ensuring that recruitment incentives include home- and community-based care, not just hospitals and long-term care facilities.
  - Invest in tuition assistance and training reimbursement programs for direct care workers and clinicians pursuing home- and community-based service careers.
- **Increase Medicaid Reimbursement Rates for Home Health Care Services**
  - Adjust reimbursement rates to reflect actual labor costs, ensuring competitive wages for home health aides, nurses, and personal care workers.
  - Align rates with inflationary trends and rising minimum wage mandates to prevent further workforce attrition.
  - Follow the example of other states that have increased home health care funding to expand workforce capacity and reduce reliance on costly institutional care.
- **Implement Innovative Workforce Strategies to Expand Access**
  - Permit contract RNs to perform home health admissions, evaluations, and discharges, under strict quality controls, mirroring existing policies for contract therapists.
  - Expand nurse delegation laws to permit trained aides to perform low-risk nursing tasks, enabling nurses to focus on complex care needs.
  - Strengthen the Family Home Health Aide program by removing participation barriers and ensuring equitable pay for family caregivers.

## RATIONALE

- **Meeting the Needs of an Aging Population:** With over 32.5% of Floridians projected to be 60+ by 2030, ensuring access to home care workers is critical to preventing unnecessary hospitalizations and nursing home placements, which drive up Medicaid costs.
- **Reducing Hospital Admissions & Medicaid Spending:** Expanding home-based care services will lower hospital readmission rates, improve patient outcomes, and reduce overall Medicaid expenditures.
- **Strengthening the Home Care Workforce:** Competitive wages, workforce development initiatives, and innovative staffing solutions will help attract and retain skilled caregivers, ensuring that seniors and individuals with disabilities receive the care they need in the most cost-effective and preferred setting — at home.

## CONCLUSION

Florida's home care workforce crisis is worsening, and urgent action is needed to prevent care shortages, increased costs, and diminished patient outcomes. To stabilize and expand Florida's home health system, lawmakers must:

- Invest in home care workforce development programs that create long-term career pathways.
- Increase Medicaid reimbursement rates to reflect actual labor costs and keep pace with inflation.
- Enhance workforce flexibility by permitting contract nurses, expanding nurse delegation, and strengthening family caregiving support.

Modernizing state policies and reimbursement structures will expand access to in-home care, lower Medicaid costs, and ensure older adults and individuals with disabilities receive high-quality care in their preferred setting.