

Nebraska Lawmakers Consider LB486 to Standardize Home Care Reimbursement Rates

Caretech COO Testifies on the Urgent Need for Fair Compensation for Home Care Providers

LINCOLN, NE, UNITED STATES, March 10, 2025 /EINPresswire.com/ -- On February 27, 2025, Nebraska lawmakers convened to hear testimony on Legislative Bill 486 (LB486), a proposal aimed at standardizing reimbursement rates for service providers under the Aged and Disabled (A&D) 1915(c) Home and Community-Based Services (HCBS) waiver. Among those testifying was Kerin Zuger, Chief Operating Officer of Caretech, who advocated on behalf of long-standing home care agencies serving Nebraska's most vulnerable populations.



One of the key issues highlighted during the hearing was the lack of standardized rates for personal care services under the A&D waiver. Currently, providers must negotiate their own rates, leading to discrepancies and inconsistencies that create financial uncertainty for home care agencies. The introduction of LB486 has brought much-needed attention to this issue, and the testimony revealed that many senators were previously unaware of these non-standardized negotiated rates.

The hearing also provided a platform for long-time home care agencies to reinforce their role in helping the state save money. By offering lower-cost services to individuals who would otherwise require institutional care, these agencies play a vital role in reducing Medicaid expenditures. The testimonies demonstrated that home-based care is not only a compassionate choice but also a fiscally responsible one.

Zuger's powerful testimony reinforced the role of home care agencies in reducing Medicaid expenditures. She emphasized that Caretech remains committed to serving underserved rural

communities, where more than 70% of Caretech's clients reside in Western and South Central Nebraska, with 85% of them receiving services through the Medicaid Waiver Program.

"Caretech's mission is to ensure that clients—regardless of age, location, or background—receive the care they need at home," said Zuger. "We partner closely with the state and do our best to advocate on behalf of our clients and caregivers. As a member of the Nebraska Home Care Association, I'm involved in community education and awareness, specifically around how home care agencies, like Caretech, can help fill gaps in care, improve quality, and decrease costs."

She also referenced studies that demonstrate the cost-effectiveness of home care services, including a [2021 Meridian study](#) that showed a 33% reduction in overall healthcare costs for participants who received in-home care, a [Politico report](#) that found a 27% reduction in admissions for seniors using home care, and a Johns Hopkins report referenced in [Home Healthcare News](#), estimating that \$4 billion in Medicare costs could be saved if more non-medical support were provided at home.

Despite its necessity, LB486 presents financial challenges for the state, which is already facing a \$100 million budget shortfall. With new compliance measures set to roll out in 2025, home care providers are bracing for increased administrative burdens and operational costs.

For now, agencies that testified, including Caretech, will lay the groundwork by gathering cost information from the Department of Health and Human Services (DHHS) on various options for addressing this issue. This proactive approach ensures that if an opportunity arises to move forward with a version of the bill that has a lower financial impact, they will be prepared to advocate effectively.

If enacted, LB486 would require the Nebraska Department of Health and Human Services (DHHS) to:

- Implement a standardized reimbursement rate for A&D waiver providers based on the December 7, 2022, CBIZ Optumas rate study.
- Rebase A&D rates at least every two years to ensure fair and consistent compensation for providers.
- Submit a waiver amendment to the Centers for Medicare & Medicaid Services (CMS) to implement these changes.

Zuger illustrated the real-world impact of reimbursement disparities, revealing that Caretech lost 11 caregivers in the past six months to competitors offering \$3–6 more per hour. She shared a story of a caregiver who reluctantly left Caretech, despite the agency's support, due to the need for higher wages.

"Most of the time when this happens, the clients they care for leave with them, which of course is lost revenue for Caretech. One caregiver I spoke to was in tears when she told me she had to

leave. We had supported her and her family, but she simply couldn't turn down the opportunity to earn a higher wage elsewhere," says Zuger.

She also highlighted the increasing operational challenges faced by home care providers, referencing a Wall Street Journal article, "Home Healthcare Inflation Is Stubbornly High," published on February 12, 2025, which reported an 8.1% increase in in-home care costs in January. Additionally, Nebraska is set to implement new compliance measures in 2025, adding to the administrative burdens and costs for providers.

While the path forward for LB486 remains uncertain, its introduction has already had a significant impact. By shedding light on the challenges posed by non-standardized rates, the bill has ignited a critical conversation about fair compensation for home care providers and the importance of maintaining a robust provider network. Caretech and other agencies will continue to advocate for solutions that balance financial feasibility with the need to support Nebraska's most vulnerable populations.

"The LB486 bill affords us an opportunity to reduce state agency time in negotiations and contracting, allow providers the chance to compete fairly, control costs, and continue to make a difference in so many lives," Zuger concluded. "In full transparency, it feels as though we are stepping over dollars to pick up pennies, creating unnecessary processes that increase administrative burden and cost the state money. There is a better, proven way."

As the legislative session progresses, stakeholders will remain engaged, prepared to act if a revised, more fiscally viable version of LB486 becomes a possibility. In the meantime, agencies will continue their mission of delivering high-quality, cost-effective care to those who need it most.

About Caretech

Caretech is a trusted leader in home care services, dedicated to providing compassionate, high-quality care for seniors and individuals of all ages living with disabilities. Through innovative solutions and community partnerships, Caretech continues to advocate for policies that ensure fair reimbursement, workforce sustainability, and improved access to home care services across Nebraska.

For more information on Caretech's advocacy efforts, visit <https://caretechinc.com/>.

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