



Modern Healthcare
A CRAIN FAMILY BRAND

MY ACCOUNT LOG

SEARCH

MENU

Home > Providers



April 02, 2025 05:00 AM

Providers expand pediatric home care amid possible Medicaid cuts


DIANE EASTABROOK



REPRINTS



Getty Images

Pediatric home healthcare companies are gearing up to meet skyrocketing demand for services aimed at chronically ill children and adolescents. 

Companies that provide pediatric home healthcare services, including [Bayada Home Health Care](#), [Aveanna Healthcare](#) and [Alliance Homecare](#) are planning acquisitions and expansions to new states this year as demand increases for private duty nursing and home healthcare services for patients under age 18. But those expansion plans could hit speed bumps if [Congress slashes funding for state Medicaid programs](#), the primary payers for pediatric home health services.

[Related: Atrium Health rolls out first pediatric hospital-at-home program](#)



SPONSORED BY STAPLES

New report: 5 Steps For Creating A Better Healthcare Breakroom.

73% of nurses say a high-quality breakroom helps reduce stress and fatigue — yet approximately one in three rarely take break. Unlock key strategies to boost nurse morale and retention.

[Get the report](#)

Demand for pediatric private duty nursing and home health is growing at a fast clip due to the increasing number of children with chronic diseases and conditions. The American Academy of Pediatrics estimates that approximately 20 million children — about 28% of those under age 18 — have a condition that requires medical care for a few months or for several years. Providing care to children at home is less expensive than providing it in a hospital or long-term care setting.

To meet the demand, New York-based Alliance Homecare expanded into New Jersey last month and plans to begin offering pediatric private duty nursing and home healthcare services in parts of Connecticut and Florida later this month, CEO Joseph Verdirame said in an email. The company is also looking to expand to other markets, including Chicago, Dallas, Boston, Los Angeles and San Francisco, which Verdirame said have large children's hospitals and high concentrations of pediatric patients in need of home health services.

Atlanta-based Aveanna Healthcare is looking to expand pediatric home health services through acquisitions, CEO Jeff Shaner told analysts during an earnings call last month. Aveanna is one of the nation's largest providers of pediatric private duty nursing and home health services. The company operates 270 offices across 33 states.

Bayada Home Health Care is also looking to broaden its footprint. The Moorestown, New Jersey-based nonprofit plans to open more locations in the 14 states where it already offers pediatric home health services, as well as in new states, said Cris Toscano, Bayada's skilled nursing practice president. The organization provides pediatric home-based care to approximately 4,500 children a week, but Toscano said it is trying to serve more patients with additional offices and staff.

"Right now, we can only accept about one out of every three clients who call us for care," she said.

Increases in a variety of diseases and conditions, including asthma, diabetes, cancer and cerebral palsy, are driving up demand for pediatric home care. The biggest demand is coming from children with complex medical conditions where treatments and services require equipment such as ventilators and feeding tubes, said Dr. Stefanie Reed, a pediatrician and medical director at [Atrium Health's](#) Pediatric Hospital at Home Program in Charlotte, North Carolina. Reed said advancements in medicine and technology are helping medically complex children live longer. Their fragile conditions often require years of therapy and medical care, making those children one of the fastest growing segments in pediatric healthcare, she said.

Children and adolescents with complex medical conditions can receive skilled nursing care in rehabilitation hospitals or in their homes. A private duty nurse may provide home-based services for several hours a day. Children with less severe illnesses may require several months or years of intermittent home healthcare.

The care is costly. While some employer-sponsored health plans may provide limited coverage for home-based pediatric care, Medicaid is the primary payer for those services. The program covers about three-quarters of all pediatric home health visits, according to the American Academy of Pediatrics.

Federal funding cuts to Medicaid could complicate efforts to maintain and expand home-based healthcare to children with complex medical conditions. Health policy research organization [KFF said in a recent report](#) that if Congress cuts Medicaid by more than \$2

trillion over 10 years, states may have to either raise taxes to pay for home-based care or reduce payments to home-based care providers.

That would create a quandary for Interim Healthcare of Sioux Falls, which would like to expand the number of children who receive private duty nursing services in and around the rural South Dakota community. Abby Woodford, who operates the family-owned franchise, said she would like to provide care for up to 20 children at a time, an increase from the 10 to 15 her nursing staff can currently accommodate. However, she said a cut to South Dakota's Medicaid rate could change those plans.

"It's something we'll have to take a look at," Woodford said. "We want these kiddos to remain in their homes and, as a mom, I would want my child at home, if he got sick."

Aveanna CEO Jeff Shaner on the earnings call dismissed analysts' concerns that potential Medicaid cuts would reduce home healthcare access for children or throw a wrench into the company's acquisition plans. He said children with complex conditions must receive care and the home is a far cheaper alternative than a healthcare facility.

"We are a cost saver to state and federal governments. We have external studies that show we save between \$5,000 and \$6,000 per day in our private duty nursing business for every day we keep a medically complex pediatric patient at home and not in a neonatal intensive care unit or a pediatric intensive care unit," Shaner said.

Toscano said Bayada has made strategic decisions to grow its pediatric home health business in states that invest in higher Medicaid reimbursements. She thinks any efforts from states to make it harder for children to receive care in their homes would be met with strong resistance from their parents.

"I wouldn't want to be the legislator to tell a mom or dad that there are no more [home] nurses and they have to make a decision to put their child into a long-term care facility," Toscano said.



RELATED ARTICLES



Pediatric mental health, workplace violence are top 2023 safety concerns: ECRI



Home health to be core driver of Aveanna's growth, CEO says



How Gen Z is being courted by post-acute providers

Letter
— to the —
Editor

Send us a letter
Have an opinion about this story? [Click here to submit a Letter to the Editor](#), and we may publish it in print.

RECOMMENDED FOR YOU

Aveanna moves into 2 new states with pediatric home health deal

The Ensign Group adds nursing homes in two states

Most Popular	
1	Health insurers slash thousands of jobs, more cuts ahead
2	HHS reorganization raises questions for claims appeals process
3	Eli Lilly denies affiliation with Hims & Hers
4	FTC pauses case against CVS Caremark, Express Scripts, OptumRx
5	Senate unveils budget resolution with less draconian health cuts

SPONSORED CONTENT

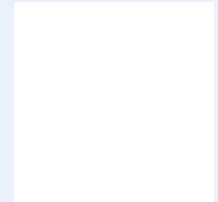


The dairy dilemma: Unlocking better health for Black Americans



For generations, dairy foods have often been avoided in Black communities, largely due to concerns over symptoms of lactose intolerance and deeply ingrained myths about its compatibility with Black health.

[Read more](#)



GET NEWSLETTERS



Sign up for newsletters and alerts to receive breaking news and in-depth coverage of healthcare events and trends, as they happen, right to your inbox.

SIGN UP

SUBSCRIBE TODAY



MH magazine offers content that sheds light on healthcare leaders' complex choices and touch points—from strategy, governance, leadership development and finance to operations, clinical care, and marketing.

SUBSCRIBE

CONNECT WITH US





Our Mission

Modern Healthcare empowers industry leaders to succeed by providing unbiased reporting of the news, insights, analysis and data.

Modern Healthcare

A CRAIN FAMILY BRAND

CONTACT US

(877) 812-1581

Email us

RESOURCES

Contact Us

Ad Choices

Help Center

Sitemap

Advertise with Us

EDITORIAL DEPT

Submission Guidelines

Code of Ethics

Awards

[About Us](#)

LEGAL

[Terms and Conditions](#)

[Privacy Policy](#)

[Privacy Request](#)



Copyright © 1996-2025. Crain Communications, Inc. All Rights Reserved.

