

Co-Sponsor Legislation to Improve Home Health Payment Reform to Protect Services for America's Seniors

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Bipartisan lawmakers in the House and Senate have introduced legislation to refine home health provisions included in the Bipartisan Budget Act of 2018 (BBA) which require Medicare to develop a new payment model for the home health benefit in 2020. Under the BBA, the transition to the new payment model must be budget neutral and achieves this goal by permitting Medicare to adjust payment rates based on assumed provider behavioral changes. The Centers for Medicare & Medicaid Services (CMS) has proposed cutting Medicare payment rates in 2020 by 6.42% - equaling over \$1 billion - in the first year alone based purely on assumptions of behavioral change.

The home health community has been working with bipartisan lawmakers in Congress to develop legislative solutions that will ensure these BBA reforms better align payment with patient characteristics and quality.

Support legislation, S.3545 introduced by Senators Collins (R-ME), Stabenow (D-MI) and Nelson (D-FL), S. 3458 introduced by Senators Kennedy (R-LA) and Cassidy (R-LA), and H.R. 6932 introduced by Representatives Ralph Abraham (R-LA), Garrett Graves (R-LA), Scott DesJarlais (R-TN), Vern Buchanan (R-FL), and Terri Sewell (D-AL), which makes the following changes to the home health payment model:

1. Requires Medicare to institute rate adjustments only after HHA behavioral changes actually occur, basing any behavioral adjustment on real "observed evidence."
2. Ensures Medicare budget neutrality but requires the phase-in of any necessary rate increases or decreases to be no greater than 2% per year to limit the risk of disruption in care.
3. S. 3545 also includes a provision strongly supported by the home health community that would permit the waiving of the homebound regulatory requirement to enable greater flexibility for Medicare beneficiaries in Medicare Advantage plans (and waiver programs) to receive home health services.

This legislation is vital to ensure that the Medicare home health benefit is strengthened and secured for the growing number of seniors who depend on it. The legislation protects against a new payment system that would threaten Medicare home health in the following ways:

ACCESS TO CARE FOR FRAIL ELDERLY COULD BE COMPROMISED: Significant payment rate cuts that are based on mere assumptions of potential provider behavioral changes destabilize home health services creating clear risks for access to home health care for Medicare beneficiaries. This is especially true when combined with a dramatically restructured payment model.

ARBITRARY WINNERS AND LOSERS ARE CREATED IN THE PROVIDER COMMUNITY: The proposed new payment model changes all aspects of the current system and results in more than one-half of home health agencies (HHAs) expected to experience significant Medicare reductions even without the behavioral change adjustment.

ASSUMPTION-BASED RATE REDUCTIONS COULD LEAD TO A DROP IN THE USE OF SERVICES: The home health community has experienced the dire effects of assumption-based rate reductions through prior payment reform efforts. The result? Use of home health by America's seniors dropped by millions, with the closure of thousands of home health agencies.

LACK OF AN EVIDENCE-DRIVEN APPROACH COULD THREATEN SERVICES: CMS recently rejected assumption-based rate adjustments for Skilled Nursing Facilities (SNFs) under a new payment model, concluding that it did "not have any basis on which to assume the approximate nature or magnitude of these behavioral responses." Contrary to this, CMS has provided no rationale for its current behavioral assumption rate cuts. Further, no guardrails or protections have been provided for how the behavioral assumptions are applied.