

# 5 Reasons To Support The Home Health Payment Innovation Act

On January 1, 2020, the Centers for Medicare & Medicaid Services (CMS) plans to implement a new payment system for the Medicare home health program, which is called the Patient Driven Groupings Model (PDGM). This new system dramatically changes the way Medicare will reimburse providers for delivering care to homebound beneficiaries and, unless modified through legislation or action by CMS, will reduce \$1.3 billion from the home health benefit in 2020 alone. PDGM also represents the largest payment model change to the program in approximately 20 years, underscoring the need to get this model right before implementation begins.

To address this reduction of \$1.3 billion to the home health program, bipartisan lawmakers in Congress have introduced the Home Health Payment Innovation Act (H.R. 2573/S.433). Reasons to support the bill:

- 1. Behavioral assumption reduction will cause harm.** The reduction of \$1.3 billion stems from the implementation of an 8.01% behavioral assumption cut proposed by CMS in the new payment system. The proposed assumption-based rate cut is not based on evidence of provider behavior change, but rather speculation before the system is even implemented. This drastic cut will cause instability in the home health system as it is moving toward a new payment system.
- 2. \$1.3 billion payment cut not based on data or evidence.** Without any data or evidence, CMS makes assumptions that are unfair and not anchored to data or evidence. Simply, CMS assumes providers will systemically change their coding to maximize payment in a new model. There is no evidence to support this assumption. Instead, the bill takes a more data-driven approach, so rate reductions are based on behavior changes.
- 3. PDGM could lead to interruptions and gaps in patient care.** PDGM could result in negative unintended consequences for patients if payment reductions force home health agencies to reduce or suspend care services due to financial stress and instability. Without access to consistent care delivery, vulnerable home health patients are at risk for adverse events and rehospitalizations.
- 4. Phase-in allows providers to adjust to a new model.** The bill provides a phased-in approach to the new system to ensure providers are properly prepared to operate under the new payment model by limiting an agency's losses or gains to 2% per year. Enabling a phased-in approach is right for both providers and vulnerable home health patients.
- 5. Budget neutrality is preserved through 2029.** The home health community is committed to a core principle of the new payment system: budget neutrality. The modified phased in approach ensures budget neutrality by allowing the Secretary the ability to waive the phase-in after 2025, in order to ensure that budget neutrality is met by 2029 as required by the Bipartisan Budget Act (BBA) of 2018.

**Congress: Co-Sponsor the Home Health Payment Innovation Act (H.R. 2573/S.433) To Refine PDGM Before Implementation in 2020**

