



Congress of the United States
House of Representatives
Washington, DC 20515-0916

September 25, 2020

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Dear Administrator Verma,

I am writing regarding an important issue impacting the Medicare home health care program. In particular, I am asking that, in the 2021 Calendar Year (CY) Home Health Prospective Payment System (HH PPS) payment rule that will be finalized later this fall, CMS takes action to eliminate a 4.36 percent “behavioral assumption” rate reduction in the home health payment system.

As you may recall, last year I cosponsored legislation that would have restricted the ability of CMS to institute assumption-based rate reductions that were based on assumed provider behaviors in the new payment system for home health. CMS, responding to a groundswell of Congressional support for legislation that would restrict this practice, actually made positive changes in the HH PPS final payment rule last year. I applaud you for your leadership on this issue.

In January 2020, the new payment model for home health went into effect, with a 4.36 percent behavioral assumption rate cut. As of this date, there is compelling new data, based upon 2020 Medicare claims data, that indicates in the first four months of 2020 home health spending was significantly lower than projected. Additional data analysis of May and June 2020 indicates that these trends are continuing. With these current trends continuing, Medicare home health spending will be well short of the required budget-neutral level, as outlined by Congress. One of the reasons for this imbalance and underspending in the home health sector is due to the 4.36% rate reduction based on assumed provider behaviors. The 2020 data thus far casts significant doubt regarding the accuracy of these behavioral adjustments being applied. In fact, based on analysis of actual 2020 claims data, home health providers’ actual behaviors are inconsistent with two of the three behavioral assumptions described by CMS in last year’s HH PPS payment rule.

I believe the actual experience of home health agencies this year should be reflected in CMS’ calculation of payment rates for 2021, and I am concerned that CMS’s CY 2021 proposed

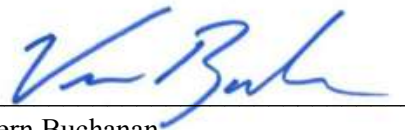
HH PPS rule would instead carry forward assumptions made well before any of us could have anticipated what 2020 would look like. From a policy perspective, I believe that these rate reductions should be eliminated, because there is compelling data that refutes the need for this reduction.

I urge CMS to carefully consider the data submitted by commenters and to re-evaluate the assumptions used as the basis of the 4.36 percent rate reduction made in last year's rule and proposed again for 2021. CMS should take a data-based approach to its 2021 rulemaking responsibilities and move away from earlier theoretical assumptions and projections in favor of relying on actual provider experience. It is critically important that CMS take steps to ensure budget-neutral payments in home health and avoid undue cuts that threaten access to care for patients.

At a time when care provided in patient homes is more important than ever, I appreciate the work that CMS has done to recognize the significant value the Medicare home health benefit provides to seniors. Home health has been on the front lines of the COVID-19 response, providing care to patients in need throughout the pandemic. I look forward to continuing to work with you to support and strengthen the Medicare home health program.

Thank you for your consideration as you craft final home health payment policy for next year.

Sincerely,



Vern Buchanan
Member of Congress