

United States Senate

WASHINGTON, DC 20510

October 27, 2023

The Honorable Joseph R. Biden, Jr.
President
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Dear President Biden:

We are writing today to urge your Administration to continue protecting Medicare beneficiaries' access to home health care. We strongly support the Medicare home health benefit, which provides vital services to beneficiaries across the country, creating value for the Medicare program by serving patients in lower cost settings while allowing them to receive high quality skilled care. Home health services are essential to increasing the health, safety, and quality of life for beneficiaries and their families. We are concerned that significant reductions to home health care reimbursement would create access to care issues for Medicare beneficiaries.

On September 19, 2023, the U.S. Senate Committee on Finance Subcommittee on Health Care held a hearing titled "Aging in Place: The Vital Role of Home Health in Access to Care." During the hearing, experts discussed how prior and proposed Medicare cuts to home health care have threatened beneficiary access to care across the country. Specifically, the hearing highlighted recent home health agency closures, service area reductions, and increasing referral rejection rates, which many witnesses attributed to the new Patient-Driven Groupings Model (PDGM) payment system and associated significant reductions in reimbursement rates implemented by the Centers for Medicare & Medicaid Services (CMS) since 2020. In particular, witnesses highlighted data showing a 500,000 decrease in home health patients in recent years along with the present-day referral rejection rate of over 50%.

For CY 2024, CMS has proposed a further -5.653 percent permanent adjustment to the 30-day base payment rate, resulting in a significant and concerning -9.36 percent permanent reduction. This year's Medicare cut is on top of \$3.7 billion in cuts to the Medicare home health program since 2020. These cuts are having a devastating impact on Medicare patients who rely on these services to stay in their homes while recovering and rehabilitating from serious conditions.

Furthermore, the effect of these reductions on beneficiary access to care is compounded by CMS' forecast in the home health market basket for calendar years 2021 and 2022, resulting in a cumulative 5.1 percent shortfall in payment rate updates. Inflation in gas prices and health care workforce costs also have an effect on overall access to care.

We strongly support the Medicare home health benefit, which provides vital skilled home care services to beneficiaries and strengthens the Medicare trust fund by providing such services in a relatively low-cost setting. We look forward to working with you to improve the Medicare

program and ensure beneficiaries have access to care in their homes. Thank you for your consideration of our request.

Sincerely,



Debbie Stabenow
United States Senator



Kyrsten Sinema
United States Senator



Kirsten Gillibrand
United States Senator



Tammy Duckworth
United States Senator



Mazie K. Hirono
United States Senator



Jeanne Shaheen
United States Senator



Tina Smith
United States Senator



Maggie Hassan
Margaret Wood Hassan
United States Senator