

A History of Home Health Cuts

YEAR	SUMMARY OF RATE REDUCTIONS
2009	2.75% reduction for case mix adjustment. 2% annual reduction for failure to submit OASIS data
2010	2.75% reduction for case mix adjustment 10% cap on outlier claims with 2.5% national cap (applies to all future years), mandated by the ACA
2011	1% reduction to Market Basket adjustment mandated by the ACA 3.79% reduction for case mix adjustment
2012	1% reduction to Market Basket adjustment mandated by the ACA 3.79% reduction for case mix adjustment
2013	1.32% reduction for case mix adjustment 1% reduction to Market Basket adjustment mandated by the ACA 2% cut due to sequestration
2014	2.7% reduction due to annual ACA mandated rebasing cut 0.6% reduction due to grouper changes 2% cut due to sequestration
2015	2.4% reduction due to annual ACA mandated rebasing cut 0.5% reduction due to ACA mandated productivity adjustment 2% cut due to sequestration
2016	2.4% reduction due to annual ACA mandated rebasing cut 0.4% reduction due to ACA mandated productivity adjustment 0.97% reduction for case mix adjustment 2% cut due to sequestration
2017	2.3% reduction due to annual ACA mandated rebasing cut 0.3% reduction due to ACA mandated productivity adjustment 0.97% reduction for case mix adjustment 2% cut due to sequestration
2018	1.7% reduction to market basket adjustment as mandated by MACRA 0.97% reduction for case mix adjustment 0.5% reduction from expiration of the rural add-on Expected 2% cut due to sequestration

The Medicare home health sector has experienced **more rate cuts over the last decade than any other healthcare sector** in the Medicare program and is the only provider type that has not had an increase in Medicare reimbursements since 2009.

Any new cuts to home healthcare could result in the loss of home health services in many parts of the country. In the absence of home healthcare services, many beneficiaries will have no choice but to seek post-acute and long-term care in more expensive care settings. In addition, the cuts could interfere with the successful use of home health services as a means to reduce hospital re-admissions. Cuts to home health also threaten important healthcare sector jobs.

The CY 2018 Centers for Medicare & Medicaid Services Proposed Rule for the Home Health Agency Prospective Payment System (HHPPS) includes the Home Health Groupings Model (HHGM), which will result in additional cuts to home healthcare if implemented as proposed.

Implementing a totally new payment system that significantly cuts Medicare home health, with virtually no input from the industry, puts both vulnerable home health beneficiaries and quality providers at significant risk.

The Partnership and NAHC urge CMS to withdraw the HHGM policy and instead work with stakeholders to develop a fully budget neutral policy that does not limit access to beneficiaries or diminish provider resources.