

Medicare Home Healthcare Copayment

Medicare's home healthcare benefit allows 3.5 million American seniors to receive medically necessary, skilled healthcare services at home.

Medicare data show that home healthcare is the lowest cost post-acute care setting for a variety of chronic conditions, which can be effectively managed in the home, keeping seniors out of costly inpatient settings and reducing avoidable hospitalizations.

While Medicare costs are rapidly increasing, implementing mandatory home health copayments is not an effective means for reducing costs, and over time will result in increased spending on more expensive care settings and chronic conditions that could have been treated at home.

CO-PAY FACTS	CO-PAY FIGURES
Copayments for home healthcare services represent ADDITIONAL FEES on seniors who have already paid into the system	The average Medicare beneficiary has put "skin in the game" by contributing to the Medicare program and the U.S. tax system over his or her lifetime
The average Medicare home healthcare beneficiary is a LOW INCOME INDIVIDUAL who cannot afford to pay a home health copayment ¹	The average Medicare beneficiary already spends 37% of their out-of-pocket income on healthcare expenses ²
If subject to a copayment for home healthcare, seniors will instead seek care in COSTLIER INPATIENT SETTINGS	Medicare could incur \$16.7 billion in additional costs over 10 years if a home health copayment is required ³
In 1972, Congress REPEALED the Medicare home healthcare copayment due to increased healthcare costs	A home healthcare copayment today could potentially drive Medicare and Medicaid costs up by \$19.1 billion ⁴
A home healthcare copayment is UNPOPULAR AMONG SENIORS and likely voters	A 2011 national poll found that 81% of seniors oppose a home health copayment ⁵

"A disadvantage of requiring beneficiary cost sharing for post-hospital episodes of home health care is that it could encourage beneficiaries to use higher cost post-acute care settings, such as skilled nursing facilities or inpatient rehabilitation facilities."

– Medicare Payment Advisory Commission

"Seniors place a significant amount of "skin in the game" when they receive home health including their mortgage, rent, utilities and food, all of which would be covered by the taxpayers if in a hospital or other institutional setting."

– Chairman Billy Tauzin

Governors, Members of Congress, and numerous senior and patient advocacy groups have all called on Congress not to reimpose a copayment on Medicare home health beneficiaries.

1. Avalere Health. A Home Health Co-Payment: Affected Beneficiaries and Potential Impacts. June 2011.

2. AARP: Medicare Beneficiaries' Out-of-Pocket Spending for Health Care Services. http://assets.aarp.org/rgcenter/health/i30_oop.pdf. June 2009

3. Avalere Health. Potential Impact of Home Health Co-Payment on Other Medicare Spending. July 2011.

4. Avalere Health. Potential Impact of Home Health Co-Payment on Other Medicare Spending. July 2011. And Dobson DaVanzo & Associates. Medicare Home Health Co-Payments: The Potential Impact on Home Health Beneficiaries and Medicaid Spending, July 2011.

5. National Poll conducted by Quinlan Rosner Research & Fabrizio Ward. June 2011.