

California

Impact of Medicare's Proposed Home Health Cuts

The Centers for Medicare & Medicaid Services (CMS) has proposed a **permanent -9.36% payment rate cut** to Medicare home health beginning in 2024. In total, cuts to home health could reach **\$20 billion** over the next ten years.

Home healthcare is already experiencing a 3.9% cut that began in 2023. New cuts will only worsen troubling trends that are already making it harder for Medicare patients to leave the hospital and go home with care that helps them recover and rehabilitate.

It doesn't have to be this way. The Medicare home healthcare program offers healthcare that is specifically designed to meet the needs of someone requiring clinically advanced services. Without proper funding, it cannot provide clinically advanced, patient preferred care in the home to everyone who needs it.

Partnership for
Quality Home
Healthcare

THERE'S NO PLACE LIKE HOME



Number of Medicare Beneficiaries
who Received Home Health in 2021

300,286

Number of Home Health Agencies

1,906

Gross Impact of Proposed 9.36%
Cut to Medicare Home Health in
California for CY 2024 Alone

-\$151,259,535

Estimated "Clawback" Temporary
Cuts to the Medicare Home Health
Program (to be applied through
future year cuts and equaling
-24.5% if applied in a single year)

-\$716,863,409

Estimated State Impact over
10 Years for the Under-Valued
Market Basket for CY 2021-22

-\$1,929,379,905

% of HH Agencies Forecasted
with Overall Margins Below
Zero After the 2024 Cuts

58.3%

SOURCE: Research Institute for Home Care's Home Care Chartbook Data, November 2022.
(Citing and analyzing from Medicare Standard Analytics Files, 2021).

SOURCE: Dobson | DaVanzo & Associates Analysis of Proposed HH PPS Rule for CY 2024.

SOURCE: National Association for Home Care & Hospice Margin Projections