

## SAVE MEDICARE HOME HEALTH BENEFITS

### CONCERNS:

The Medicare home health and hospice benefits will be cut by \$57 billion over the next ten-years if the cuts proposed by MedPAC are adopted by Congress. MedPAC's recommendations are fatally flawed and should NOT be included in any health care reform bill. MedPAC's assertion that Medicare home health margins are excessive [IS WRONG](#).

- MedPAC fails to include a significant segment of home health care-hospital based home health agencies, which account for 21% of all home health agencies nationwide.
- Currently, about **one-third** of Medicare home health agencies in Pennsylvania already have a negative Medicare profit margin. [By 2011 that number will be almost two-thirds of agencies with a negative margin.](#)
- Home health makes up about 3% of the overall Medicare spending annually, but the industry is targeted for 11% of the overall cuts to Medicare spending. That is unfair and ill-conceived.
- CMS has already scheduled regulatory payment cuts to home health of 2.75% in 2010, and 2.71% in 2011.

### RECOMMENDATIONS:

- **Eliminate the regulatory home health payments cuts being implemented by CMS.**
- **Preserve the 2010 Medicare market basket updates.**
- **Address fraud, waste and abuse** through real preventive.
  - **Enact a moratorium on new certifications of Medicare participating home health agencies.** For example, in Houston, Texas there are more home health agencies than in New York, New Jersey, Pennsylvania and Maryland combined.
  - **Cap outlier payments.** There is a connection between outlier payment abuse and Medicare margins.
- **Do NOT rebase home health services payment rates.** Home health agencies today are already paid less than they were in 2002. Since a new prospective payment system for home health was implemented in 2008, it is premature to rebase the payment rate. A rebasing of home health payment rates would result in another 5% cut to agencies.

*PENNSYLVANIA AND DISTRICT SPECIFIC INFORMATION IS AVAILABLE ON THE NEXT PAGE*

Percentage of Home Health Agencies with Negative Margins Based on MedPAC Recommendations		
State	2010	2011
PA	31.94%	56.27%
National	39.91%	61.53%

Percentage of Home Health Agencies with Negative Margins by Congressional District Based on MedPAC Recommendations		
District	2010	2011
Rep. Robert Brady (D-1)	27.08%	45.83%
Rep. Chaka Fattah (D_2)	28.00%	48.00%
Rep. Kathy Dahlkemper (D-3)	29.41%	50.98%
Rep. Jason Altmire (D-4)	20.83%	54.17%
Rep. Glenn Thompson (R-5)	31.67%	60.00%
Rep. Jim Gerlach (R-6)	34.55%	50.91%
Rep. Joe Sestak (D-7)	32.69%	51.92%
Rep. Patrick Murphy (D-8)	25.00%	37.50%
Rep. Bill Shuster (R-9)	27.78%	65.28%
Rep. Chris Carney (D-10)	26.76%	60.56%
Rep. Paul Kanjorski (D-11)	31.08%	62.16%
Rep. John Murtha (D-12)	25.00%	53.13%
Rep. Allyson Schwartz (D-13)	26.67%	45.00%
Rep. Mike Doyle (D-14)	22.92%	52.08%
Rep. Charles Dent (R-15)	30.00%	56.00%
Rep. Joe Pitts (D-16)	28.21%	56.41%
Rep. Tim Holden (D-17)	30.51%	59.32%
Rep. Tim Murphy (R-18)	18.75%	54.17%
Rep. Todd Platts (R-19)	29.03%	67.74%