



Texas Association for
Home Care & Hospice
Care Stronger

**STATEMENT SUBMITTED BY
RACHEL HAMMON, EXECUTIVE DIRECTOR,
TEXAS ASSOCIATION FOR HOME CARE & HOSPICE
TO THE
HOUSE WAYS AND MEANS SUBCOMMITTEE ON HEALTH
MAY 21, 2013**

The Texas Association for Home Care and Hospice (“TAHC&H”) respectfully submits the following written testimony for consideration by the U.S. House of Representatives Ways and Means, Subcommittee on Health hearing to consider proposals to reform Medicare.

TAHC&H represents over 1,300 licensed home and community supports services agencies across Texas that provide both long-term care and acute care services to seniors and patients with disabilities.

Our members fully understand the importance of employing sustainable solutions to the nation’s Medicare spending. Home health plays a significant role in reducing overall costs to the health care system through preventing re-hospitalizations and supporting doctor/patient plans of care. As the Committee considers proposals to reduce Medicare spending please take into account the potentially devastating consequences of proposals that limit access to home health and hospice.

According to a recent report by the American Medical Association (AMA), “Careful use of appropriate home care services can prevent unnecessary re-hospitalizations, emergency department visits and poorer than expected health outcomes”. As MedPAC asserts, preventable readmissions cost Medicare upwards of \$12 billion a year. Home care is critical to physician objectives and alternative payment models that incentivize reductions in unnecessary hospitalizations and that utilize best practices to improve health outcomes.

We respectfully submit that the Committee and Congress oppose any copay proposal for Medicare home health and hospice services. A copayment will have the most devastating consequences on some of Medicare’s most vulnerable patients. Congress instituted a copayment in the past for home health and it was overturned in 1972 after Congress realized the negative impact this had on patients and the healthcare system. Instituting another copayment now will have the same result: to drain the resources that seniors and people with disabilities need to continue living independently in their homes.

Recipients of home health and hospice already participate in significant cost-sharing with Medicare. They do this by paying for their own housing, food, utilities and in most cases by relying heavily on the support of family and friends, providing billions of dollars in savings in the form of uncompensated care to U.S. taxpayers. Because of these vast financial contributions we should promote the use of home health services. The alternative to home health is institutional care – nursing facilities and hospitals – where costs run up to three times more per day.

May 21, 2013

Lastly, it is important to recognize that home care has already sustained damaging cuts in the form of reduced reimbursement rates and stiff regulations. Since 2009 when home care was a \$17 billion industry, our providers have received disproportionate cuts to the tune of \$77 billion (including \$39.7 billion in the PPACA) to take effect over the subsequent 10 year period. It has been very damaging to home health agencies and their patients; about 50 percent of agencies will be paid less than their costs by Medicare.

As you review proposals to reduce spending in the Medicare program in Tuesday's hearing, we urge you to consider how the use of home care and hospice can save the system money by keeping patients at home, contributing to quality-driven and cost-effective care. Thank you for the opportunity to participate in the process and please do not hesitate to contact me with any questions you may have.

Sincerely,

A handwritten signature in black ink that reads "Rachel Hammon R.N." with a stylized flourish at the end.

Rachel Hammon, R.N.
Executive Director