

The Nebraska Association of Home & Community Health Agencies (NAHCHA) represents a majority of Nebraska's home health providers, who serve more than 12,000 home health clients in our state. That number will continue to grow as the Baby Boomers age and consumers wish to stay in their homes. NAHCHA wishes to submit written comments for the June 13, 2013 House Ways and Means Subcommittee on Health hearing, respectfully requesting that the subcommittee carefully reviews the impact and results of further cuts to home health services for Medicare beneficiaries.

Home health beneficiaries are the aged and disabled with limited income. Protections must remain for them to continue to receive high-quality, affordable healthcare in the comfort and safety of their homes. NAHCHA members are innovative in delivering skilled healthcare services in the home, in teaching patients and family caregivers how to manage chronic diseases and other conditions, in teaching patients how to improve their wellness, and ensuring that patients remain out of the hospital. NAHCHA worked with a state senator this spring to introduce an interim resolution study through the state legislature that examines new ways to pay for and deliver high-quality in-home services to Nebraskans in underserved areas of our state, in order to reduce overall health care expenditures. We have proposed pilot projects in communities with populations of less than 500 people, in order to demonstrate how providing high-quality care to Nebraskans in their homes helps meet their healthcare needs in an affordable manner. We invite you to contact us to learn more about this study, and to learn more about how home health clinicians (nurses, therapists) are working every day to deliver cost-effective and efficient healthcare services in the home.

Medicare spending on home health services has already been cut by \$77 billion over the next 10 years. As a result of these cuts, 50% of Medicare participating agencies will be paid less than their costs by Medicare.

- Congress included \$39.7 billion in home health payment cuts under the Patient Protection and Affordable Care Act (PPACA) through 2019. It reduced the home health inflation update one percentage point for 2011, 2012, and 2013, mandated rebasing of home health payment rates beginning in 2014 with a 4-year phase-in, and imposed a productivity adjustment in the inflation update beginning in 2015 that will reduce the inflation update by an estimated 1 percentage point each year. While home health represents about 5 percent of Medicare spending, it took a disproportionate 10 percent share of Medicare payment cuts used to pay for the Patient Protection and Affordable Care Act.
- The Centers for Medicare and Medicaid Services (CMS) issued rules that cut home health payment rates by 2.75 percent in 2008, 2.75 percent in 2009, 2.75 percent in 2010, 3.79 percent in 2011, 3.79 percent in 2012, and 1.32 percent in 2013 — for total reductions of over 16 percent which was in addition to the PPACA rate cuts.
- The Congressional Budget Office (CBO) recently revised its projection on Medicare home health spending, reducing it by over \$32 billion to reflect the impact of legislative and regulatory cuts along with other factors.

- As a result of sequestration, Congress's agreement in August 2011 reduced the federal budget deficit. Home health providers are taking an additional 2 percent cut in payments in 2013, reducing projected home health spending by \$6 billion over 10 years.

Further cuts and copays will send home health patients to more costly care settings. Home health provides cost-effective care, preferred by patients. Our member agencies – and other agencies around the United States – improve patient outcomes and attribute to improved health and wellness. Allow Americans to continue to choose home.