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November 01, 2023

Home Health Leaders: Final Home Health Rule Perpetuates Cuts, Doesn't Keep Up with Rising Costs

Help from Congress is needed to address continued cuts to home health and the billions of dollars in future cuts that will decimate the Medicare home health program and patient access to care in the home

Washington, D.C. – The Partnership for Quality Home Healthcare (the Partnership) is extremely disappointed that the Centers for Medicare & Medicaid Services (CMS) finalized a -2.89% cut to home health in its [CY2024 Home Health Prospective Payment System \(HH PPS\) Final Rule](#). On top of last year's nearly -4% cut, CMS's decision to only partially mitigate their proposed cut to home health will cause further harm to patient access and create financial instability that will make it harder to provide care in the home. CMS again failed to address the harmful flaws in the agency's payment rate methodology, which is projected to result in cuts totaling \$25 billion over the next decade.

"Despite compelling third-party data and concrete examples of reductions in patient access, CMS continued its policy of cuts, which have already had harmful impacts on the availability of care in the home for older Americans. This -2.89% cut for 2024 is on top of billions of dollars that have already been cut from Medicare home health," said Joanne Cunningham, CEO of the Partnership. "Both patients and providers have described how difficult it already is to access and deliver home health services because of years of continuous Medicare cuts, a significant staffing shortage, and rising inflation. I do not understand what the disconnect is. With labor and inflation costs continuing to rise dramatically and home health providers dealing with a national healthcare workforce crisis, any cut to home health will cause further harm."

"It is disappointing that Medicare did not stop these cuts despite outreach from home healthcare providers, caregivers, Medicare beneficiaries, and their families," said David Baiada, Partnership Chair. "Our congressional representatives have made it known that they've heard us on these cuts, so now it's time for Congress to make home healthcare a priority and protect access to care for our most vulnerable neighbors and loved ones."

"To put these numbers into context, the rule finalizes a base rate year-over-year increase of less than \$1 per day to care for Medicare's sickest patients," clarified Cunningham. "And while CMS is slightly delaying implementation of the permanent cut for next year, those dollars will be cut from home health in future years."

The Partnership has shared quantitative and anecdotal data demonstrating that patients are already facing access issues. Both the total number of referrals to home health and the likelihood that a home health agency will turn down a referral are increasing. While the need for home

health is greater than ever, hospital discharge planning data show it is increasingly harder to place patients, unnecessarily increasing the average hospital length of stay. Additional cuts announced today by CMS will only make these access problems more severe.

The Partnership and other home health advocates have engaged with Members of Congress to address the immediate impact of Medicare's home health cuts. Earlier this session, Senators Debbie Stabenow (D-MI) and Susan Collins (R-ME) and Representatives Terri Sewell (AL-7) and Adrian Smith (NE-3) introduced the Preserving Access to Home Health Act (S. 2137/H.R. 5159) to prevent CMS from implementing cuts in 2024. The Partnership and the broader home health community are urging Congress to pass legislation to ensure access to home health is not further compromised for beneficiaries who want to return home after hospitalization and those who want to age safely and comfortably at home.

"I strongly urge lawmakers to carefully understand the dire implications of this final rule. Today's rule finalizes the wrong policy at the wrong time. This rule is not in the best interests of patients, providers, or even the government. We need help from Congress to do what Medicare should have done in the first place: block all cuts to home health and stabilize the payment system in order to protect patient access," added Cunningham.

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About PQHH

The Partnership for Quality Home Healthcare represents community- and hospital-based home healthcare agencies across the U.S. and is dedicated to developing innovative reforms to improve the quality, efficiency, and integrity of home healthcare. To learn more, visit www.pqhh.org.

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