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Contact: Ellen Almond
703-548-0019

Medicare Cuts, Copayments in Administration's Budget Proposal Pose Increased Risk for Vulnerable Home Health Beneficiaries

- Home health community calls for program integrity reform to achieve Medicare savings -

Washington, DC – In response to President Barack Obama's proposed fiscal year 2014 budget, home healthcare community members today expressed concern that recommendations to further cut Medicare payments and increase copayments on seniors using home health will not achieve the long-term costs savings our nation needs, while also harming seniors and healthcare providers.

The Partnership for Quality Home Healthcare – a coalition of home health providers dedicated to developing innovative reforms to improve the program integrity, quality, and efficiency of home healthcare for our nation's seniors – strongly opposes the reimposition of a beneficiary copayment in the Medicare home health benefit. Upon the Medicare program's establishment in 1965, home health was subject to a copayment, but Congress repealed it in 1972 because it had proven to be ineffective in driving down costs, limited patient access to clinically advanced, cost-effective care, and forced patients to seek care in higher-priced inpatient settings.

In "[The President's Plan for Economic Growth and Deficit Reduction](#)," the Administration calls for health reforms that accomplish savings "in a way that does not shift significant risks onto the individuals [Medicare and Medicaid] serve, slash benefits, or undermine the fundamental compact they represent to our Nation's seniors, people with disabilities, and low-income families." The home health community's analyses indicate that a home health copayment would shift costs to a vulnerable patient population already facing many challenges including higher rates of comorbidities and lower incomes.

Rather than making more across-the-board cuts and instituting copayments that target vulnerable seniors, home health leaders urge the Administration and Congress to enact program integrity reforms that specifically target the isolated nature of home health fraud and abuse. Data clearly demonstrate that waste, fraud and abuse are largely limited to isolated regions of the country and that targeted reforms are a proven method for reducing aberrant behavior and generating significant savings.

"President Obama has demonstrated leadership in supporting programs that reduce wasteful Medicare spending and erroneous payments, and we feel more must be done to improve the integrity of this program for patients and taxpayers," said Eric Berger, CEO of the Partnership for Quality Home Healthcare. "The proposed budget released by the White House today unfortunately shifts the burden to seniors when instead it should be calling for pro-patient solutions like targeted program integrity reform."

In its 2013 Report to the Congress, the Medicare Payment Advisory Commission (MedPAC) again acknowledged the isolated nature of home health fraud and abuse. "The highest utilization of home health services is concentrated in a few areas of the country....The concentration of high utilization in a

few areas of the country has raised concerns that some of this utilization may be due to fraud and abuse,” MedPAC stated in the report.

To combat waste, fraud and abuse, home health community leaders have put forth the “Skilled Home Health and Integrity Program Savings” (SHHIPS) proposal, which offers solutions to stop the payment of aberrant claims before they occur and tightens the claims review process and conditions of participation standards. These reforms are based on a 2009 outlier payment reform, which achieved nearly \$1 billion in Medicare savings in 2010 – equivalent to \$11 billion in savings over 10 years.

The Partnership is also a member of [Fight Fraud First!](#) – a coalition of groups representing millions of older Americans, persons with disabilities, minorities, veterans and healthcare providers urging lawmakers to eliminate waste, fraud and abuse in the Medicare program. In a new [letter](#) to President Obama *Fight Fraud First!* stated, “We respectfully ask you to propose targeted solutions to prevent improper and fraudulent payments before they occur. Strengthening the current pay-and-chase system through program integrity reforms is a solution that makes sense for older adults, taxpayers and our nation’s health care delivery system.”

Further, recent research from the Alliance for Home Health Quality and Innovation, completed by Dobson DaVanzo & Associates, LLC, finds that cost savings of up to \$100 billion can be achieved when patients are placed in the most clinically appropriate and cost-effective setting, including home health. The Clinically Appropriate and Cost-Effective Placement (CACEP) [report](#) also suggests that home health can be the clinically appropriate and cost-effective care setting for many patients with multiple chronic conditions.

“As the debate over our nation’s fiscal future rages on in Washington, we hope lawmakers on both sides of the aisle will recognize the positive, pro-patient solution our reform plan offers,” added Mr. Berger. “Not only can our program integrity reform proposal achieve immediate savings, data show the immense role home health can have in reducing costs over the long term.”

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The Partnership for Quality Home Healthcare was established in 2010 to assist government officials in ensuring access to skilled home healthcare services for seniors and disabled Americans. Representing more than 1,500 community- and hospital-based home healthcare agencies across the United States, the Partnership is dedicated to developing innovative reforms to improve the quality, efficiency and integrity of home healthcare. To learn more, visit www.homehealth4america.org. To join the home healthcare policy conversation, connect with us on [Facebook](#), [Twitter](#) and our [blog](#).