

Talking Points: Preserving Access to Care Rule Medicaid 80/20 Passthrough

While H4HC fully supports in-home caregivers earning a living wage, tying multi-state providers to one set of rules at the federal level and varying rules at each state level will make it impossible for providers to continue to uphold high quality level of services to vulnerable populations.



- One-size-fits-all approach
 - Access-to-care: States with already low Medicaid reimbursement rates would suffer far more than states with better, more established funding. Ultimately, this rule would end up decimating access-to-care for the very vulnerable, rural, and underserved individuals CMS is aiming to protect.
 - Costs of doing business: Inflation and business associated costs have skyrocketed over the past two years between PPE, payroll, training, benefits, etc. Providers could be at risk of closing their doors in areas where operating costs are too high – leaving Americans without care.
 - Innovation and Training: With 50 different state Medicaid programs – all of which have different requirements – an across-the-board rule like this would create roadblocks for providers like BAYADA from investing in the training and innovation programs we are known for.

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- Only two states in the country already have mandatory passthroughs in place for their Medicaid programs: Illinois & Minnesota
 - Illinois: Implemented a passthrough in 2008. Requires between 72%-77% passthrough to caregiver (depending on services)
 - Minnesota: Passed legislation, but it has not been implemented yet
- Where did 80% come from?
 - The other two states that have passed this kind of mandatory passthrough, are not at 80%. CMS is unclear about what data/information they are using to support this specific percentage.
- What we DO support
 - CMS' goal of addressing the workforce shortage crisis: The industry has been waving the red flag for a long-time, so we appreciate CMS trying to find a solution to this growing crisis.
 - Livable wages for in-home caregivers: BAYADA and the entire industry recognizes in-home caregivers to be healthcare heroes and always strives to compensate them accordingly. Without their compassionate, selfless work, millions of Americans would not be able to remain cared for in their homes.

Talking Points: 2024 Home Health Payment Reduction

Congress Must Act to Prevent Home Health Cuts that Will Devastate Access to Care

Home health agencies strongly oppose CMS's CY2024 proposed payment rule that will result in the decimation of access to home health services.

The cumulative impact of these cuts is billions of dollars carved out of the Medicare home health program as providers are already facing significant challenges due to the pandemic, threatening patient care and access. Small, rural, and hard-to-serve communities will be uniquely harmed.



Background on the Rule:

- **Permanent Adjustment of 9.36%**
 - On June 20, 2023, CMS proposed to cut rates for in-home Medicare services in 2024 by an unprecedented, permanent – 9.36% (20 billion over the next 10 years).
- **The net result of this cut along with inflation updates is – 2.2% in 2024**
 - \$375 million in 2024 alone.
 - This inflation adjustment does not take into consideration a post-COVID world of delivering care. Costs have sky rocketed, but CMS' numbers do not represent the true impact of inflation on health care costs.
- **Clawback of "over payments"**
 - CMS also plans to add an additional ~\$3.4 billion for alleged "overpayments" for the past 3 years of services. This clawback of funds is an unprecedented overreach.
 - In 2018, Congress insisted on budget neutrality when transitioning from the old to the new home health payment system. Congress clearly intended for stability in this transition, aiming to avoid cuts to home health care.
 - Instead, CMS has instituted an unauthorized rebasing of home health payments – resulting in billions of dollars in cuts. This is counter to Congressional intent to ensure the stability and preservation of the vital services.



Talking Points: 2024 Home Health Payment Reduction

Medicare Payment Cuts Threaten the Home Health Care System – Valued by America’s Seniors and Disabled

- Care in the home is the safer and preferred choice for our seniors and persons with disabilities.
 - Polling shows overwhelming preference for care in the home: **94% of Medicare beneficiaries** say they would prefer to receive post-hospital care at home.
- Reducing payments to home health threatens access to vital care in the home.
 - **Previous payment cuts reduced care access.** As a result, costs of care will go up, with increased hospital readmission rates, unnecessary hospitalizations, and increased use of short-term skilled nursing stays.
- Cuts will negatively impact the growing and high demand for care in the home.
 - **Home health is the preferred post-acute care option for patients**, with a 42% increase in average number of referrals per patient sent to home health (vs 32% per referral to skilled nursing facilities).
 - However, due to labor cost pressures and staffing challenges, **home health admission rates have declined by 15% over the same period.**
- Home health care providers and caregivers have been hit hard by the impact of the pandemic.
 - Inflation, workforce costs, and wage pressures are steadily on the rise and have been since pandemic. Additional cuts will exacerbate the workforce and inflation crisis.

Legislation: Preserving Access to Home Health Act

- **Senators Debbie Stabenow (D-MI) and Susan Collins (R-ME)** introduced Preserving Access to Home Health Act of 2023 (SB 2137)
- **Representatives Terri Sewell (D-AL) and Adrian Smith (R-NE)** (HR 5159)
- Legislation would restrict CMS from implementing the permanent and temporary adjustments.
- Seeking co-signers in the both Senate & House.