

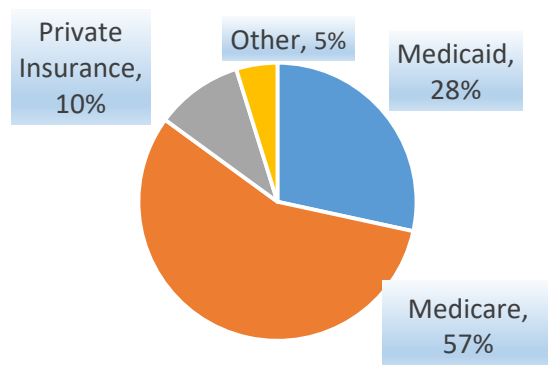
Brief Overview

- 9 not-for-profit VNAs of Vermont members
- Members serve all 251 Vermont towns
- Approximately a million visits every year – which take 6 million miles of travel to accomplish
- Home health is highly cost-effective, representing just over 2% of health care spending in Vermont

Services

- Universal access to medically necessary **health care at home** (nursing and therapies) and **hospice services**
- **Maternal-child health, high-tech and other special programs**
- **Choices for Care:** Vermont Medicaid program that helps individuals who are eligible for nursing home services remain independent at home; some services for those with less acuity: **personal care, respite care, homemaker services.**

Sources of Revenue



- Medicare rates have declined by 14% since 2009. The 3% rural add-on will be reduced to 2% on January 1, 2019, 1% on January 1, 2020 and then eliminated.
- Home Health Medicaid and Choices for Care rates have increased inconsistently over the same period, well below the rate of inflation.

Primary Concerns

- Home health agencies have very few options to adjust to major cost increases – public payers set prices; very little commercial business; obligation/mission to take all patients regardless of ability to pay
- Medicaid rates rise much more slowly than inflation. Many years they don't rise at all. Medicare rates are going down.
- Aggregate impact is very different than individual agency impact.

A History of Home Health Cuts

The Medicare home health sector has experienced **more rate cuts over the last decade than any other healthcare sector** in the Medicare program and is the only provider type that has not had an increase in Medicare reimbursements since 2009, **totaling a 13.95 percent cut to the base line.**

Any new cuts to home healthcare could result in the loss of home health services in many parts of the country. In the absence of home healthcare services, many beneficiaries will have no choice but to seek post-acute and long-term care in more expensive care settings. In addition, the cuts could interfere with the successful use of home health services as a means to reduce hospital re-admissions. Cuts to home health also threaten important healthcare sector jobs.

The CY 2018 Centers for Medicare & Medicaid Services Proposed Rule for the Home Health Agency Prospective Payment System (HHPPS) includes the Home Health Groupings Model (HHGM), which will result in additional cuts to home healthcare if implemented as proposed.

Implementing a totally new payment system that significantly cuts Medicare home health, with virtually no input from the industry, puts both vulnerable home health beneficiaries and quality providers at significant risk.

The Partnership and NAHC urge CMS to withdraw the HHGM policy and instead work with stakeholders to develop a fully budget neutral policy that does not limit access to beneficiaries or diminish provider resources.

YEAR	SUMMARY OF RATE REDUCTIONS
2009	2.75% reduction for case mix adjustment.
2010	2.75% reduction for case mix adjustment 10% cap on outlier claims with 2.5% national cap (applies to all future years), mandated by the ACA 0.28% reduction for wage index cut
2011	1% reduction to Market Basket adjustment mandated by the ACA 3.79% reduction for case mix adjustment 2.5% reduction for base rate adjustment
2012	1% reduction to Market Basket adjustment mandated by the ACA 3.79% reduction for case mix adjustment
2013	1.32% reduction for case mix adjustment 1% reduction to Market Basket adjustment mandated by the ACA 2% cut due to sequestration
2014	2.7% reduction due to annual ACA mandated rebasing cut 0.6% reduction due to grouper changes
2015	2.4% reduction due to annual ACA mandated rebasing cut 0.5% reduction due to ACA mandated productivity adjustment
2016	2.4% reduction due to annual ACA mandated rebasing cut 0.4% reduction due to ACA mandated productivity adjustment 0.90% reduction for case mix adjustment
2017	2.3% reduction due to annual ACA mandated rebasing cut 0.3% reduction due to ACA mandated productivity adjustment 0.90% reduction for case mix adjustment
2018	1.7% reduction to market basket adjustment as mandated by MACRA 0.90% reduction for case mix adjustment 0.5% reduction from expiration of the rural add-on

41.53% Cumulative Reduction To Medicare Home Health



#4 Community-based provider COLA history, FY2006-FY2016

SFY06 - \$682,690

SFY07 – no COLA

SFY08 – no COLA

SFY09 – no COLA

SFY10 – no COLA

SFY11 – no COLA

SFY12 – we restored a 2% rate reduction with savings

SFY13 – min wage increase for small set of cfc services ½ of SFY13 \$ 45,880

SFY14 – restored 2% reduction in base budget

SFY15 – 2% increase for 6 months

SFY16 – S139 - \$139,945 increase in Choices for Care.

Source: Testimony by DAIL Commissioner to House Human Services 2/23/17