

Home Health Care Cuts: Just the Facts

From: The Honorable Greg Walden

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Dear Colleague:

Recently, the House has been highlighting the impacts federal regulations have on the lives of Americans. In keeping with this theme, I wanted you to be aware of the startling effect that one particular regulation is having on seniors and businesses in your state.

Section 3131 of Obamacare called for the Secretary of Health and Human Services (HHS) to “rebase” Medicare payments for home healthcare services over a four-year period. The healthcare law gave HHS the latitude to cut home health payments by up to 3.5% **per year for four years, for a total of a 14% cut.**

In November 2013, HHS finalized regulations that will take the maximum cut legally allowed—3.5% per year for four years, starting on January 1, 2014. This cut is devastating for the home health industry. In fact, HHS admitted in the final rule that the cuts will force “40 percent” of all providers to operate on negative margins. As a result, home health agencies across the country will face bankruptcies and job losses. Even more, patients will lose access to these invaluable services.

Attached is state-by-state data on the impact of the 14% cut. As you can see, home healthcare providers in **every state** will operate at a loss.

During the rulemaking, over 140 of our colleagues in the House, stakeholders, seniors, and the Small Business Administration expressed concern to HHS that the proposed cut would threaten patient access and small business operations. The final rule didn’t address these concerns and sadly, we are already starting to see the crippling impact of this cut.

According to the Bureau of Labor Statistics’ December 2013 jobs report, over 3,700 home health jobs were lost in the month of December. This is the largest recorded loss of jobs experienced by the nation’s home health community in more than a decade. These jobs were lost in apparent anticipation of the unprecedented 14% cut to Medicare home health going into effect on January 1. Avalere Health estimates if the 14% cut is not corrected, 500,000 home healthcare jobs will be lost and nearly 1.5 million seniors will lose access to receiving high-quality, cost-efficient health care services in the setting they prefer – their home.

My family and I have seen first-hand the powerful impact that compassionate and highly skilled home health nurses provide. We’ve used it with our own loved ones and know how meaningful

it is to be able to recover at home, in familiar surroundings, with your family by your side. Take a look at the numbers and see the devastating effect these cuts would have on seniors in your state and throughout America.

Best regards,

Greg Walden

State	Impact of HHPPS Final Rule				Prior to HHPPS Final Rule		
	Percent of HHAs that are Projected to be Driven to Net Loss by 2017	Number of HHAs that are Projected to be Driven to Net Loss by 2017	Number of HH Seniors Who Are Currently Served by HHAs that are Projected to be Driven to Net Loss by 2017	Number of HH Jobs Currently in HHAs that are Projected to be Driven to Net Loss by 2017	Number of Home Health Agencies (HHAs)	Number of Home Health Seniors	Number of Home Health Jobs
Alabama	24.4%	38	17,384	3,003	150	68,931	11,909
Alaska	75.0%	10	1,724	1,421	13	2,299	1,895
Arizona	45.1%	58	16,128	9,495	125	34,946	20,574
Arkansas	42.7%	80	17,011	1,985	169	36,047	4,207
California	50.0%	529	137,761	34,750	999	260,369	65,678
Colorado	33.9%	48	11,139	4,871	142	32,820	14,351
Connecticut	22.9%	22	13,390	3,462	86	52,082	13,467
Delaware	20.0%	6	3,922	1,007	19	11,767	3,022
DC	33.3%	8	2,456	1,937	20	6,139	4,842
Florida	37.3%	586	140,933	26,970	1424	342,570	65,557
Georgia	22.7%	28	23,719	5,804	102	85,196	20,849
Hawaii	66.7%	7	1,969	1,791	10	2,953	2,686
Idaho	52.5%	26	6,377	3,519	46	11,090	6,120
Illinois	42.1%	338	88,543	17,168	739	193,664	37,550
Indiana	50.0%	102	31,888	9,022	198	61,655	17,444
Iowa	43.8%	81	11,566	3,173	169	24,122	6,618
Kansas	42.1%	57	10,371	4,083	128	23,119	9,101
Kentucky	34.7%	37	21,818	3,157	100	59,564	8,619
Louisiana	22.4%	54	19,399	5,739	216	77,969	23,068

Maine	32.0%	8	6,277	1,190	26	19,617	3,720
Maryland	32.6%	18	18,197	4,273	55	55,803	13,102
Massachusetts	27.8%	46	33,381	9,564	148	106,650	30,557
Michigan	39.9%	272	72,851	15,352	635	169,975	35,818
Minnesota	41.6%	80	14,013	8,379	181	31,668	18,936
Mississippi	11.6%	6	6,505	872	51	55,929	7,496
Missouri	49.7%	87	33,745	9,181	173	67,061	18,245
Montana	62.1%	22	4,940	1,715	30	6,822	2,369
Nebraska	52.4%	38	7,988	1,544	68	14,377	2,779
Nevada	39.1%	49	10,096	2,184	112	23,221	5,023
New Hampshire	20.7%	9	5,315	1,103	32	19,264	3,998
New Jersey	33.3%	17	32,217	12,223	50	96,660	36,674
New Mexico	44.1%	39	8,727	6,214	75	16,611	11,827
New York	64.7%	120	123,128	83,949	174	178,679	121,824
North Carolina	27.5%	48	29,224	11,356	172	103,889	40,368
North Dakota	66.7%	15	3,206	393	21	4,372	536
Ohio	30.3%	177	37,150	18,113	559	117,082	57,086
Oklahoma	39.3%	110	29,935	8,518	251	68,143	19,391
Oregon	72.0%	41	15,659	2,867	56	21,161	3,874
Pennsylvania	30.4%	108	46,241	12,297	335	143,160	38,072
Rhode Island	14.3%	4	1,752	685	25	12,259	4,793
South Carolina	30.9%	22	16,813	3,210	66	51,368	9,807
South Dakota	40.6%	16	2,032	424	36	4,644	970
Tennessee	17.6%	31	18,750	3,839	140	84,688	17,341
Texas	43.0%	1130	168,684	108,949	2454	366,306	236,588
Utah	31.2%	32	5,927	2,060	100	18,255	6,344
Vermont	16.7%	2	1,638	370	12	9,824	2,220
Virginia	32.6%	76	30,966	8,660	209	84,676	23,680
Washington	57.7%	34	24,428	5,581	57	40,973	9,361
West Virginia	34.8%	20	7,319	2,505	57	21,044	7,202
Wisconsin	60.5%	76	22,140	7,866	119	34,621	12,300
Wyoming	63.0%	19	2,277	363	29	3,416	545
National	40%	4,908	1,419,021	498,159	11,409	3,439,520	1,140,403