

IMPACT ON JOBS

Medicare Rebasing: Impact on Jobs and Small Businesses

Proposed Medicare Cuts Threaten Fast-Growing Home Health Jobs Market and Small Agencies

On June 27, the Centers for Medicare and Medicaid Services (CMS) issued its draft Home Health Prospective Payment System (HHPPS) rule for 2014 that proposes to cut Medicare home health funding by 3.5% each year from 2014-2017. If implemented, this cut would total an unprecedented 14% cut to Medicare home health rates.

While this rule will directly impact vulnerable seniors and disabled individuals who rely on quality home healthcare services, it will also hurt job growth and small businesses. If implemented, the 14% cut will cause **the national average Medicare margin to drop to -9.77%**. Many small and independent home health agencies will simply not be able to operate with margins below the actual cost of care. Small businesses are at the heart of America, employing

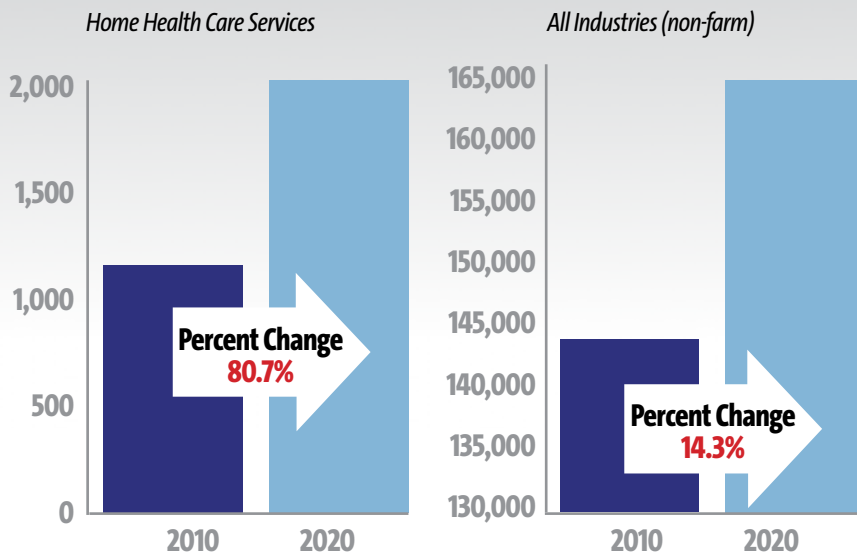
approximately 57% of the country's private workforce and paying 44% of U.S. payroll.

Furthermore, the field of home healthcare is one of the fastest growing job markets in the healthcare sector. In July of this year, the Bureau of Labor and Statistics (BLS) reported that the home healthcare community generated 3,900 new jobs- almost two-thirds of all new jobs created in the ambulatory health care services sector.¹ Additional cuts to Medicare threaten healthcare jobs and employment gains.

Protect home healthcare services for the millions of seniors who depend on them and the dedicated professionals and small businesses who deliver them.

Home Healthcare is a Major Job Creator²

Home Health Job Growth is Projected to Grow 5.5 Times Faster than All Other Sectors



Number of Jobs, 2010 and 2020 (projected), in thousands.

By the Numbers: Home Health Jobs³

1,140,402:
Home Health Jobs Nationwide

\$4.7 Trillion
National Impact of Home Health
Payroll on Labor Income

¹Bureau of Labor and Statistics July Jobs Report. <http://www.bls.gov/news.release/pdf/empisit.pdf>.

²Avalere Health

³Home Health Chartbook. Economic contribution of home health agencies, 2011. Avalere Health.

⁴Medicare is the major funder of home health services and constitutes a substantial share of the home health sector

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