

TOTAL HOME HEALTH CUTS

Reductions in Medicare Home Health Payments

Since 2009, Medicare's home health benefit has experienced deep cuts as a result of regulatory and legislative changes. Now, the Centers for Medicare and Medicaid Services (CMS) is proposing an additional 14% cut to home health funding over the next four years. Due to the severity of the cuts already in place, the additional reductions proposed by CMS would go too far and endanger homebound seniors and disabled Americans' access to clinically-advanced, cost-effective home healthcare across America.

State	Estimated Reductions in Home Health Funding - 2011-2020 (Case Mix, ACA {MB, Prod, Outlier}, Sequestration)(2)	Estimated Impact of Proposed Rebasing and ICD-9, 2011-2020	Total Home Health Reductions, 2011-2020 (Case Mix, ACA {MB, Prod, Outlier}, Sequestration, Rebasing, ICD-9)
TOTAL	\$72,510,000,000	\$21,979,000,000	\$94,489,000,000
AK	\$11,000,000	\$3,000,000	\$14,000,000
AL	\$954,000,000	\$289,000,000	\$1,243,000,000
AR	\$280,000,000	\$85,000,000	\$365,000,000
AZ	\$543,000,000	\$164,000,000	\$707,000,000
CA	\$5,641,000,000	\$1,710,000,000	\$7,351,000,000
CO	\$557,000,000	\$169,000,000	\$726,000,000
CT	\$1,014,000,000	\$308,000,000	\$1,322,000,000
DC	\$70,000,000	\$21,000,000	\$91,000,000
DE	\$163,000,000	\$50,000,000	\$213,000,000
FL	\$9,221,000,000	\$2,795,000,000	\$12,016,000,000
GA	\$936,000,000	\$284,000,000	\$1,220,000,000
HI	\$28,000,000	\$8,000,000	\$36,000,000
IA	\$222,000,000	\$68,000,000	\$290,000,000
ID	\$114,000,000	\$34,000,000	\$148,000,000
IL	\$4,665,000,000	\$1,414,000,000	\$6,079,000,000
IN	\$953,000,000	\$289,000,000	\$1,242,000,000
KS	\$307,000,000	\$93,000,000	\$400,000,000
KY	\$627,000,000	\$190,000,000	\$817,000,000
LA	\$8,768,000,000	\$2,658,000,000	\$11,426,000,000
MA	\$2,221,000,000	\$673,000,000	\$2,894,000,000
MD	\$879,000,000	\$266,000,000	\$1,145,000,000
ME	\$308,000,000	\$94,000,000	\$402,000,000
MI	\$2,871,000,000	\$870,000,000	\$3,741,000,000
MN	\$357,000,000	\$108,000,000	\$465,000,000
MO	\$742,000,000	\$225,000,000	\$967,000,000
MS	\$1,227,000,000	\$372,000,000	\$1,599,000,000

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TOTAL	\$72,510,000,000	\$21,979,000,000	\$94,489,000,000
MT	\$61,000,000	\$19,000,000	\$80,000,000
NC	\$1,743,000,000	\$528,000,000	\$2,271,000,000
ND	\$14,000,000	\$4,000,000	\$18,000,000
NE	\$173,000,000	\$53,000,000	\$226,000,000
NH	\$347,000,000	\$105,000,000	\$452,000,000
NJ	\$1,447,000,000	\$439,000,000	\$1,886,000,000
NM	\$287,000,000	\$87,000,000	\$374,000,000
NV	\$537,000,000	\$163,000,000	\$700,000,000
NY	\$1,605,000,000	\$487,000,000	\$2,092,000,000
OH	\$1,745,000,000	\$528,000,000	\$2,273,000,000
OK	\$1,677,000,000	\$509,000,000	\$2,186,000,000
OR	\$178,000,000	\$54,000,000	\$232,000,000
PA	\$2,138,000,000	\$648,000,000	\$2,786,000,000
RI	\$214,000,000	\$65,000,000	\$279,000,000
SC	\$562,000,000	\$171,000,000	\$733,000,000
SD	\$12,000,000	\$3,000,000	\$15,000,000
TN	\$1,314,000,000	\$398,000,000	\$1,712,000,000
TX	\$11,685,000,000	\$3,542,000,000	\$15,227,000,000
UT	\$437,000,000	\$132,000,000	\$569,000,000
VA	\$1,253,000,000	\$380,000,000	\$1,633,000,000
VT	\$142,000,000	\$43,000,000	\$185,000,000
WA	\$585,000,000	\$177,000,000	\$762,000,000
WI	\$485,000,000	\$147,000,000	\$632,000,000
WV	\$160,000,000	\$49,000,000	\$209,000,000
WY	\$27,000,000	\$8,000,000	\$35,000,000

Notes:

- (1) Baseline spending from the Centers for Medicare and Medicaid Services Office of the Actuary May 2013 Baseline, included in Medicare Trustees Report
- (2) Reductions include ACA market basket reductions, productivity adjustment, outlier reduction, case mix adjustments, sequestration, and Partnership estimate of 10% outlier cap
- (3) Medicare reductions are allocated to states based on states' share of total Medicare FFS home health payments in 2011
- (4) Rebasing and ICD-9 policies estimated based on CMS' Proposed Rule Home Health Prospective Payment System Rate Update for CY 2014

- (5) CMS estimates the net impact of the CY 2014 Home Health Proposed rule is a \$290 million decrease in HH payments, or -1.5%

CMS estimates the impact of rebasing to be a \$650 million decrease and the ICD-9 to be a \$100 million decrease in CY 2014. The difference, i.e., the reason the rule net impact is so much less than the rebasing impact, is that it is offset by the market basket increase (+\$460 million). In the absence of the rebasing and ICD-9 changes, payments to home health agencies would have increased by \$460 million, rather than decrease by \$290 million. The above table shows the estimated impact of the rebasing and ICD-9 proposals over the 2011-2020 time period