

MedPAC Calls for 7 Percent Home Health Rate Cut

Source: NACH, December 11, 2023

Last week, the Medicare Payment Advisory Commission (MedPAC) held their annual December public meeting to discuss payment rate adequacy across the Medicare program. For the Home Health session commissioners received a presentation from MedPAC staff on the current state of the benefit.

Following are notable data points and recommendations from 2022 data:

- Medicare margins for 2022 was 23 percent, down from 24.9 percent in 2021.
- All-payer margin in 2022 was 7.9 percent, down from 11.9 percent in 2021.
- Medicare program spent \$16.1 billion on home health care, down from \$16.9 billion in 2021.
- Over 11, 300 home health agencies, down from 11,400 in 2021.
- 2.8 million beneficiaries served, down from 3 million in 2021.
- 8.6 million 30-day periods, down from 9.3 million in 2021.
- 98 percent of beneficiaries live in a ZIP code served by two or more home health agencies.
- About 88 percent of beneficiaries live in a ZIP code served by at least five home health agencies.
- Per capita utilization was 24.5 home health periods per 100 fee-for-service (FFS) beneficiaries, down from 26 in 2021.
- In-person visits averaged 8.6 per 30-day period, down from 8.8 in 2021 and 10.6 in 2019.

Quality of care remains satisfactory for FFS beneficiaries. Although the beneficiary discharge to community rate declined slightly in 2022, the overall rate remains high at 74.7 percent. Additionally, patient experience measures remained steady in 2022.

MedPAC continues to rely on the number of agencies within a zip code as a proxy for adequate beneficiary access to home health services even though the metric has been challenged by researchers.

Included in the staff presentation was a proposed recommendation that the Medicare base payment rate for home health agencies should be reduced by seven percent.

None of the commissioners challenged the report data or disagreed with recommendation to cut the base rate by seven percent.

“When policymakers don’t receive accurate information, they risk making policy decisions that have unintended, yet negative, consequences on beneficiaries. We hope that MedPAC can address our concerns about how it came to its erroneous conclusions in this presentation and work to provide stakeholders with more accurate, reliable, transparent, and actionable data,” said William A. Dombi, President of NAHC.

Read the full statement and press release from NAHC and the Partnership for Quality Home Healthcare [HERE](#).

NAHC will continue to monitor MedPAC meetings and activities, as well as work with the Congress to ensure the full array of experiences and information is available and understood in analyzing and determining Medicare policy.