August 26, 2013

Marilyn Tavenner
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1450-P
P.O. Box 8016
Baltimore, MD 21244-8016

Re: Medicare and Medicaid Programs; Home Health Prospective Payment System Rates for CY 2014, Home health Quality Reporting Requirements, and Cost Allocation of Home Health Survey Expenses

Dear Administrator Tavenner:

AARP is pleased to respond to the request for comments on the proposed rule relating to the Medicare home health prospective payment system (HH PPS) and other related matters.

CY 2014 HH PPS Rates

The combined effect of the proposed rule would be to reduce Medicare payment rates for home health services in CY 2014, with the estimated aggregate payment reduction being about $290 million. Of particular note is the impact of the proposed rebasing of the national, standardized 60-day episode payment rate. This rebasing is required by section 3131(a) of the Affordable Care Act (ACA) and is intended to account for changes such as the number of visits in an episode, the average cost of providing care per episode, the level of intensity of services in an episode, the mix of services in an episode, and other relevant factors. Section 3131(a) of the ACA specifies that this rebasing must be phased in over a 4-year period in equal increments, not to exceed 3.5 percent of the amount (or amounts) in any given year applicable under section 1895(b)(3)(A)(i)(III) of the Social Security Act, and be fully implemented for CY 2017. Based on its analysis, CMS proposes to reduce payments in each year from CY 2014 to CY 2017 by 3.5 percent due to rebasing.

AARP is concerned about the potential impact of reduced HH PPS payments on Medicare beneficiary access to home health services and on the quality of these services. Home health services are of tremendous importance to Medicare beneficiaries since these services help beneficiaries stay in their homes and avoid more expensive skilled nursing facility care. These services can also help beneficiaries avoid

hospital admissions or re-admissions and visits to emergency departments, all of which have significant implications for Medicare expenditures.

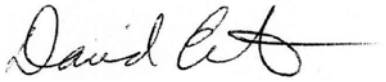
AARP, therefore, urges CMS to ensure that the methodology employed to determine the magnitude of the ACA-required rebasing is accurate and to consider the impact on beneficiary access to and quality of care. CMS should consider the combined impact of all proposed payment changes on access and quality, and consider the impact over time.

AARP also strongly recommends that CMS develop a detailed plan for monitoring the impact of any HH PPS payment reductions (for example, by examining measures relating to beneficiary access, quality of care, and beneficiary experience of care). We also believe that CMS should commit to reporting to Congressional Committees of jurisdiction, the Medicare Payment Advisory Commission, and the public the results of this ongoing monitoring effort.

In sum, AARP urges CMS to use the authority available to the agency to help ensure that Medicare beneficiaries will continue to have appropriate access to home health services of high quality during CY 2014 and beyond.

AARP appreciates the opportunity to comment on the proposed rule. If you have any questions regarding our comments, please contact Rhonda Richards of our Government Affairs staff at rrichards@aarp.org or 202-434-3770.

Sincerely,



David Certner
Legislative Counsel & Legislative Policy Director