

# A History of Home Health Cuts

The Medicare home health sector has experienced **more rate cuts over the last decade than any other healthcare sector** in the Medicare program and is the only provider type that has not had an increase in Medicare reimbursements since 2009, **totaling a 13.95 percent cut to the base line.**

Any new cuts to home healthcare could result in the loss of home health services in many parts of the country. In the absence of home healthcare services, many beneficiaries will have no choice but to seek post-acute and long-term care in more expensive care settings. In addition, the cuts could interfere with the successful use of home health services as a means to reduce hospital re-admissions. Cuts to home health also threaten important healthcare sector jobs.

The CY 2018 Centers for Medicare & Medicaid Services Proposed Rule for the Home Health Agency Prospective Payment System (HHPPS) includes the Home Health Groupings Model (HHGM), which will result in additional cuts to home healthcare if implemented as proposed.

Implementing a totally new payment system that significantly cuts Medicare home health, with virtually no input from the industry, puts both vulnerable home health beneficiaries and quality providers at significant risk.

**The Partnership and NAHC urge CMS to withdraw the HHGM policy and instead work with stakeholders to develop a fully budget neutral policy that does not limit access to beneficiaries or diminish provider resources.**

YEAR	SUMMARY OF RATE REDUCTIONS
2009	<b>2.75% reduction</b> for case mix adjustment.
2010	<b>2.75% reduction</b> for case mix adjustment <b>10% cap</b> on outlier claims with 2.5% national cap (applies to all future years), mandated by the ACA <b>0.28% reduction</b> for wage index cut
2011	<b>1% reduction</b> to Market Basket adjustment mandated by the ACA <b>3.79% reduction</b> for case mix adjustment <b>2.5% reduction</b> for base rate adjustment
2012	<b>1% reduction</b> to Market Basket adjustment mandated by the ACA <b>3.79% reduction</b> for case mix adjustment
2013	<b>1.32% reduction</b> for case mix adjustment <b>1% reduction</b> to Market Basket adjustment mandated by the ACA <b>2% cut</b> due to sequestration
2014	<b>2.7% reduction</b> due to annual ACA mandated rebasing cut <b>0.6% reduction</b> due to grouper changes
2015	<b>2.4% reduction</b> due to annual ACA mandated rebasing cut <b>0.5% reduction</b> due to ACA mandated productivity adjustment
2016	<b>2.4% reduction</b> due to annual ACA mandated rebasing cut <b>0.4% reduction</b> due to ACA mandated productivity adjustment <b>0.90% reduction</b> for case mix adjustment
2017	<b>2.3% reduction</b> due to annual ACA mandated rebasing cut <b>0.3% reduction</b> due to ACA mandated productivity adjustment <b>0.90% reduction</b> for case mix adjustment
2018	<b>1.7% reduction</b> to market basket adjustment as mandated by MACRA <b>0.90% reduction</b> for case mix adjustment <b>0.5% reduction</b> from expiration of the rural add-on

**41.53%** Cumulative Reduction To Medicare Home Health

Partnership for  
Quality Home  
Healthcare  
THERE'S NO PLACE LIKE HOME

  
**HOMECARE & HOSPICE**  
National Association for Home Care & Hospice