



Securing Access Via Excellence (SAVE) Medicare Home Health Act

A Policy Solution to Protect Medicare Home Health Services for America's Seniors

On January 1, 2014, the Centers for Medicare & Medicaid Services (CMS) began imposing a deep Medicare cut known as “rebasing” on home healthcare services, totaling a 14% cut over the years 2014-2017. In the final regulation establishing this unprecedented cut, CMS projected that it would cause “approximately 40 percent” of all home health agencies – most of which are small businesses – to operate at a net loss by 2017. According to analyses by Avalere Health, such an outcome would put 1.3 million American seniors and 465,000 home health professionals at risk.

This cut is already causing a crisis situation in small and rural communities for home health providers and the vulnerable, homebound patients they serve. Two new studies by Avalere Health reveal that margins for home health companies are falling dramatically, putting small agencies and rural counties at greatest risk:

2.4%

Average overall margins
of publicly-traded home
health providers in 2014

**BELOW
2.4%**

Projected margins of small
home health providers

2/3

Decline in margins
since 2010.

631,000 **IN NEARLY** **2,000**
MEDICARE BENEFICIARIES **RURAL COUNTIES**

relied on skilled home healthcare in 2013.

26

U.S. counties served by just one
home health provider in 2013

27

U.S. counties served by just two
home health providers in 2014

On top of this, home health beneficiaries are documented as older, poorer, sicker and are more likely to be female, a minority, and disabled than all other beneficiaries in the Medicare program combined:

Avalere Home Health Beneficiary Study: Key Findings	Medicare Home Health Beneficiaries	All Other Medicare Beneficiaries
Women	60.07%	53.9%
Beneficiaries aged 85+	24.4%	12.1%
Beneficiaries with 4+ chronic conditions	74.7%	48.5%
Beneficiaries needing assistance with 2+ Activities of Daily Living (ADLs)	23.5%	7.6%
Beneficiaries at or below 200% of Federal Poverty Level (FPL)	66.2%	47.9%
Beneficiaries from ethnic or racial minority population	19.3%	14.9%
Dual-eligible Medicare-Medicaid beneficiaries	26.7%	17.7%

The Solution

The SAVE Medicare Home Health Act, sponsored by Congressman Greg Walden (R-OR) and Congressman Tom Price (R-GA) provides critical relief for Medicare home health beneficiaries, their families, and their skilled providers by replacing the across-the-board rebasing cuts in 2016 and 2017 with budget neutral reforms designed to support improved care quality and achieve fewer patient rehospitalizations. Key components of the bill include:

- Replaces the 3.5% per year rebasing cut currently slated to be imposed in 2016 and 2017 with Value-Based Purchasing (beginning in 2020) in a budget-neutral fashion
- Develops new quality measures for home Health services
- Achieves Medicare savings by reducing costly readmissions
- Rewards home health agencies for quality performance
- Makes home health agency performance data available to consumers
- Provides extension of the 3% rural safeguard to 2025.