

Congress of the United States
Washington, DC 20515

August 6, 2010

Donald Berwick
Administrator
Centers for Medicare and Medicaid Services
7500 Security Blvd
Baltimore, MD 21244

Dear Administrator Berwick:

We write to express our concern over the significant cuts in Medicare home health payments proposed by the Centers for Medicare and Medicaid Services (CMS) in its July 23, 2010 proposed rule regarding home health payment rates in 2011.

CMS already implemented 8.25 percent rate reductions between 2008 and 2010 for case mix weight changes and now proposes a 3.79 percent reduction in 2011 and 2012. These payment rate reductions are on top of \$39.7 billion in rate reductions mandated by the Affordable Care Act. These additional regulatory cuts could end access to valuable home health services in many parts of the country. Patients could be left with no alternatives for post-acute and long-term care other than more costly institutional care.

Our local home health agencies tell us there are very real clinical and policy explanations for why the average severity of home health patients' health conditions may have increased over the years. For example, the incentives built into the hospital DRG reimbursement system have led to the quicker discharge of sicker patients. Recent advances in technology and changes in medical practice have also enabled home health agencies to treat more complicated medical conditions that earlier could only be treated in hospitals, nursing homes, or inpatient rehabilitation facilities. Further, hospitals are reporting an increase in admissions of sicker patients thereby likely leading to more acutely ill discharges to home care.

As you may be aware, we have introduced the Home Health Care Access Protection Act (S. 3315; H.R. 5803) establishing a transparent process for determining whether payment rate cuts are needed to account for improper changes in "case mix scoring." This process would still enable CMS to enact rate adjustments provided there is reliable evidence that there are higher case mix scores resulting from factors other than changes in patient conditions or an improper increase in overall home health expenditures as a result of such factors.

We look forward to working together to find new and better ways of accessing extrapolating data. We urge you to ensure that a reliable methodology that takes into account changes in the severity of home health patients' conditions is adopted before

considering home health payment reductions. We would appreciate an opportunity to talk with you about our concerns and the proposals we've put forth for evaluating case mix changes in the Home Health Care Access Protection Act.

Sincerely,



Senator Susan Collins



Senator Russ Feingold



Congressman Jim McGovern



Congressman Walter B. Jones