

JAMES P. MCGOVERN
3RD DISTRICT, MASSACHUSETTS

VICE CHAIRMAN
COMMITTEE ON RULES

COMMITTEE ON BUDGET

Congress of the United States
House of Representatives

Washington, DC 20515-2103

<http://www.mcgobern.house.gov>

438 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2103
(202) 225-6101

DISTRICT OFFICES:
34 MECHANIC STREET
WORCESTER, MA 01609
(508) 831-7358

ATTLEBORO OFFICE:
8 NORTH MAIN STREET, ROOM 200
ATTLEBORO, MA 02703
(508) 431-8025

FALL RIVER OFFICE:
371 MAIN STREET, #102
FALL RIVER, MA 02721
(508) 677-0140

MAILBOROUGH OFFICE:
255 MAIN STREET, ROOM 104
MAILBOROUGH, MA 01752
(508) 850-9292

Chairman Charlie B. Rangel
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Ranking Member Dave Camp
Committee on Ways and Means
1102A Longworth House Office Building
Washington, D.C. 20515

Chairman Henry Waxman
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

Ranking Member Joe Barton
Committee on Energy and Commerce
2322 A Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Rangel, Ranking Member Camp, Chairman Waxman and Ranking Member Barton:

Home health has become an increasingly important part of our health care system. The kinds of highly skilled and often technically complex services that our nation's home health agencies provide have enabled millions of our most frail and vulnerable seniors and disabled citizens avoid hospitals and nursing homes. By preventing such institutional care, home health services save Medicare millions of dollars each year. Most importantly, they enable individuals to stay just where they want to be – in the comfort and security of their own homes. We therefore urge you to ensure that Medicare beneficiaries continue to have access to important home health care by supporting a full market basket inflation adjustment, as provided under current law, and opposing cuts in home health payments.

The Administration's FY 2010 budget includes a legislative proposal to cut Medicare home health payments by \$13.16 billion over five years. This would come on top of additional administrative cuts in payment rates of \$7.59 billion promulgated by CMS over the period 2008 through 2011. If these cuts are implemented, nearly two-thirds of America's home health agencies will have negative margins and large sections of the country will be at risk of losing access to home health services.

The Medicare home health benefit has already taken a larger hit in spending reductions over the past ten years than any other Medicare benefit. In fact, home health as a share of Medicare spending has dropped from 8.7 percent in 1997 to 3.6 percent today, and is projected to decline to 3 percent of Medicare spending by 2016. This downward spiral in home health spending began with provisions in the Balanced Budget Act of 1997 (BBA), which resulted in a 50 percent cut in Medicare home health spending by 2001 – far more than the Congress intended or the Congressional Budget Office (CBO) projected.

We believe that further reductions in home health payments would be counterproductive to controlling overall health care costs. Home health care has been demonstrated to be a cost-

effective alternative to institutional care in both the Medicare and Medicaid programs. In fact, the Medicare Payment Advisory Commission (MedPAC) has noted the results of a 2002 RAND study which showed “in terms of Part A costs, episodes in an inpatient rehabilitation facility or skilled nursing facility are much more costly for Medicare than episodes of care among patients going home.” (MedPAC’s June 2005 Report to Congress.) Further reducing Medicare home health expenditures would also be in conflict with the Administration’s desire to prioritize health care in the home as a cost-effective alternative to institutional care.

Reducing Medicare home health payments would place the quality of home health care and the home care delivery system at significant risk. Several factors have contributed to the increased cost of providing care in the home over the past few years, including:

- The cost of travel by clinicians to patients’ homes;
- The use of technology, like telehealth monitors, which is not covered by Medicare;
- The need to pay significantly higher salaries for nurses, therapists, and home health aides to attract these individuals from the scarce supply of clinicians nationwide.

Many home health providers currently do not have a sufficient number of clinical staff to accept patient referrals from physicians and hospitals. As a consequence, hospital discharge planners have reported that they are finding it more difficult to refer patients for home health care. Additional cuts to the home health benefit could leave home health providers no alternative but to reduce the number of visits and/or patient admissions, which would ultimately affect access to care and clinical outcomes.

With communication and technological advances over the last ten years, the home health community has pioneered leading-edge models and therapeutics to deliver comprehensive, high quality, patient centered care across the health care delivery system. These models lead to better patient care coordination, medication management, disease and chronic care management, and behavioral and preventative education. The innovative approaches of today’s home health care show great promise in addressing many of the concerns associated with disparities in health care and access in rural communities.

In order to ensure that home health care remains a viable option for Medicare patients, we urge you to support a full market basket inflation update, as provided under current law, and oppose further home health payment cuts. Thank you for your consideration of this important matter.

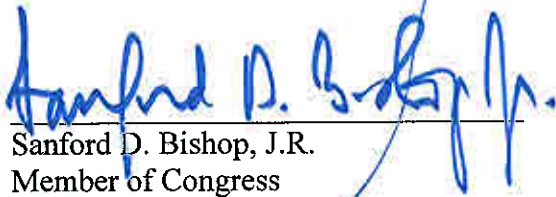
Sincerely,



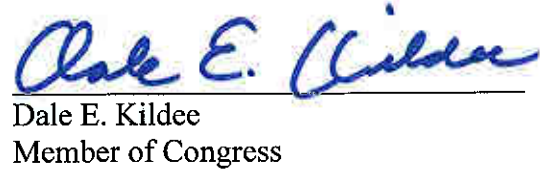
Jim McGovern
Member of Congress



Walter Jones
Member of Congress


Sanford D. Bishop, J.R.
Member of Congress

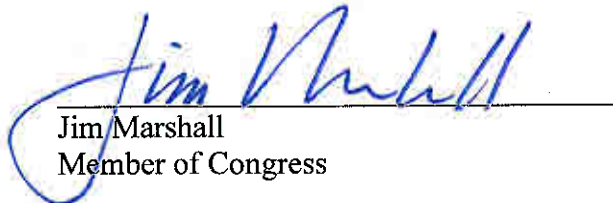

Lee Terry
Member of Congress


Dale E. Kildee
Member of Congress


Peter Welch
Member of Congress


Jerrold Nadler
Member of Congress

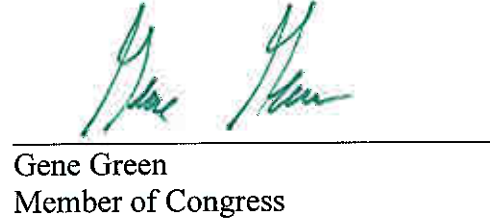

Sam Farr
Member of Congress


Jim Marshall
Member of Congress

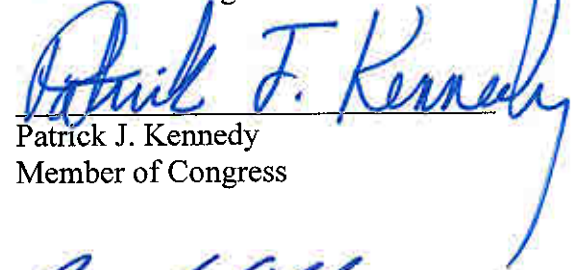

Dr. Ron Paul
Member of Congress


Bobby L. Rush
Member of Congress


Carolyn B. Maloney
Member of Congress


Gene Green
Member of Congress


William D. Delahunt
Member of Congress


Patrick J. Kennedy
Member of Congress


Brad Miller
Member of Congress


Mike McIntyre
Member of Congress


Jim Oberstar
Member of Congress



Maurice Hinchey
Member of Congress



Gregory W. Meeks
Member of Congress



Carol Shea-Porter
Member of Congress



Rosa DeLauro
Member of Congress



Todd Russell Platts
Member of Congress



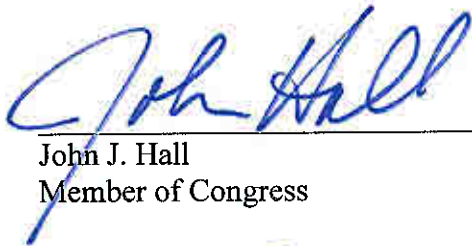
Jerry Moran
Member of Congress



Thaddeus McCotter
Member of Congress



Michael Arcuri
Member of Congress



John J. Hall
Member of Congress




Carolyn McCarthy
Member of Congress



Chellie Pingree
Member of Congress



Elijah E. Cummings
Member of Congress



Dennis Moore
Member of Congress



Nita M. Lowey
Member of Congress



Charles A. Gonzalez
Member of Congress



Ben Chandler
Member of Congress



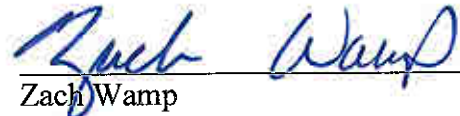
John C. Fleming, M.D.
Member of Congress



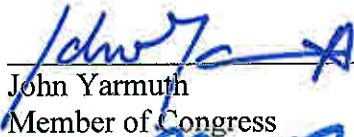
Peter T. King
Member of Congress



Ed Whitfield
Member of Congress



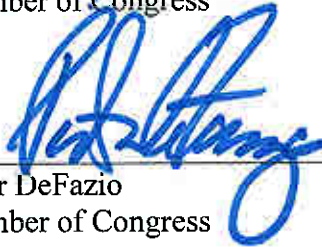
Zach Wamp
Member of Congress



John Yarmuth
Member of Congress



John S. Tanner
Member of Congress



Peter DeFazio
Member of Congress



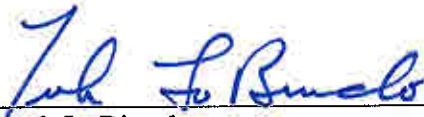
Steven C. LaTourette
Member of Congress



Marsha Blackburn
Member of Congress



David Wu
Member of Congress



Frank LoBiondo
Member of Congress



Charlie Wilson
Member of Congress



Marcy Kaptur
Member of Congress



G.K. Butterfield
Member of Congress



C.A. Dutch Ruppersberger
Member of Congress



Chris Lee
Member of Congress



Lynn Jenkins
Member of Congress



Barney Frank
Member of Congress



Todd Tiahrt
Member of Congress



Tim Ryan
Member of Congress



John W. Olver
Member of Congress



Michael H. Michaud
Member of Congress



Joe Courtney
Member of Congress



Robert C. "Bobby" Scott
Member of Congress



Robert Brady
Member of Congress



Cathy McMorris Rodgers
Member of Congress



Silvestre Reyes
Member of Congress



Tim Bishop
Member of Congress



John McHugh
Member of Congress



Paul Hodes
Member of Congress



Paul Tonko
Member of Congress



Member of Congress

Rush Holt

Rush Holt
Member of Congress

Henry Cuellar

Henry Cuellar
Member of Congress

Rodney Alexander

Rodney Alexander
Member of Congress

Michael E. Capuano

Michael E. Capuano
Member of Congress

David Price

David Price
Member of Congress

Albio Sires

Albio Sires
Member of Congress

Nick Rahall, II

Nick J. Rahall, II
Member of Congress

Harold Rogers

Harold Rogers
Member of Congress

Brett Guthrie

Brett Guthrie
Member of Congress