

# United States Senate

WASHINGTON, DC 20510

June 24, 2009

The Honorable Max Baucus, Chairman  
The Honorable Charles Grassley, Ranking Member  
Senate Finance Committee  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Baucus and Ranking Member Grassley:

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 to avoid hospitals and nursing homes. By preventing such institutional care, home health services save Medicare millions of dollars each year. More 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 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 the Centers for Medicare and Medicaid Services (CMS) over the period from 2008 through 2011. If these cuts are implemented, nearly two-thirds of America's home health agencies will have negative profit 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 cuts 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. This was far more than the Congress intended or the Congressional Budget Office (CBO) projected.

Further deep cuts in home health spending will place the quality of home health care and the home care delivery system at significant risk. This is particularly true at a time when the cost of providing care in the home is increasing due to:

- Increased costs for travel by clinicians to patients' homes;

- Increased use of technology, like telehealth monitors, which is not covered by Medicare; and,
- 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.

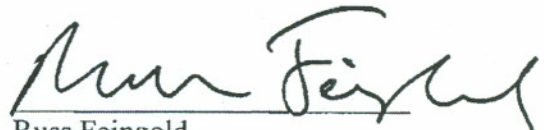
As it is, many home health providers currently do not have a sufficient number of clinical staff to accept patient referrals from physicians and hospitals. As a consequence, hospital discharge planners have reported that they are finding it more difficult to refer patients for home health care. Additional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

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 to oppose further home health payment cuts. Thank you for your consideration of this important matter.

Sincerely,



Susan M. Collins  
United States Senator



Russ Feingold  
United States Senator



Kit Bond  
United States Senator



Ron Wyden  
United States Senator



Amy Klobuchar  
United States Senator

B. J. Sanders

Rebbie Stetson

Herb Kohl

Chin. Dodd

Patrick Leahy

Sayby Claiborn

Robert W. Byrd

Jeffrey A. Merkley

Byron L. Dorgan

James H.

Kay Bailey Hutchison

Kirsten E. Gillibrand

Chuck Sch

Patty Murray

Jim Johnson

Sam Brownback

Whitcomb

Jeanne Shaker

Mark R. Warner

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