Home Health:
A Growing Access Crisis

National Alliance for Care at Home

Access to Home Health is Declining. Over one-third of Medicare patients do not receive the home health care their physician orders after a hospitalization. In 2024, 36% of these beneficiaries referred to home health services went without care—a worsening trend. Access is especially limited in rural America, where healthcare resources are sparse. This means vulnerable patients are not getting the timely care at home they need, jeopardizing their health and safety. ***We can do better.***

Patients Without Home Health Have Worse Outcomes

Missing out on home health services has serious consequences for Medicare beneficiaries. Research shows that patients who don't receive timely home health care experience significantly worse outcomes than those who do receive care:

- **41% higher mortality rate:** Patients who were directed to home health after a hospital stay but did not get home health services had a 41% higher 90-day mortality rate compared to those who received home health care. ***Early home health intervention can literally be lifesaving.***
- **34% higher hospital readmissions:** Lack of home health leads to more hospitalizations. Medicare beneficiaries not receiving home health led to a 34% higher hospital readmission rate, while those who accessed home health within a week of discharge experienced far fewer rehospitalizations.
- **6% higher Medicare spending:** Patients who went without home health ultimately cost Medicare more. On average, overall Medicare expenditures were 6% higher for patients who did not receive needed home health care in 2024, compared to those who did receive home health. ***Timely home health not only improves outcomes but also saves the Medicare program money.***

Home Health Agencies Face Tremendous Financial Strain

The home health sector is increasingly under attack, facing untenable financial and workforce challenges.

- **Medicare payment cuts:** Home health agencies face ongoing Medicare rate reductions under "budget neutrality" adjustments tied to the home health Medicare payment system, the Patient-Driven Groupings Model (PDGM). Since 2023, CMS has implemented rate cuts totaling approximately 9%. CMS has indicated in prior rulemaking that this policy will continue. These cuts are unsustainable and directly threaten home health access for our seniors.
- **Rising costs:** Inflation and workforce expenses have significantly increased the cost of delivering home health care. In fact, Medicare's own data show home health agencies were underpaid by over 6.5% in 2021–2024 relative to actual cost increases. These underpayments, combined with rising costs, leave home health providers financially strained, continuing to deliver quality care with less each year.
- **Severe workforce shortages:** Home health providers are struggling to recruit and retain the nurses, therapists, and home care aides needed to meet patient demand. As a result, home health agencies may be forced to turn away referrals or delay admissions because they simply don't have the staff available.

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Bottom Line: Home health agencies are facing a perfect storm of rate cuts, rising costs, and staff-ing challenges. This is a crisis that puts the capacity of the home health system at risk just when America's aging population needs it most. The number of Medicare beneficiaries using home health is declining. We need more care and better care where patients call home, not less. If we don't invest in home health, seniors' access to care in the home will be irreparably threatened. ***We can't afford to let this happen.***

We Must Preserve Access to Home Health Care

Medicare home health is a proven lifeline for seniors—it leads to better outcomes, supports patient preference to age in place, and reduces unnecessary healthcare spending. Innovations in home health delivery have shown great promise, proving that investing in home health generates positive outcomes and saves our healthcare system money. The Home Health Value Based Purchasing (HHVBP) Demonstration, expanded nationally after the initial nine-state demonstration, showed annual savings to the Medicare program of approximately $141 million by increasing quality outcomes and reducing hospitalizations and skilled nursing facility utilization. Its national expansion is projected to save over $3.4 billion between 2024 and 2027. Yet today, this vital Medicare benefit is under unprecedented attack, and patient access is declining right as need is growing. We must take steps to ensure home health remains a strong and viable option for the future. This means stopping further payment cuts that would threaten home health agencies' capacity to serve their communities and investing in the home health workforce so that vulnerable patients of all ages can access this critical benefit.

We Must Prioritize Home Health Care

Strengthening the Medicare home health sector is a smart investment in our nation's seniors: it will save lives, help vulnerable Americans recover safely in the comfort of their own homes, and save taxpayers money. ***Now is the time to act to protect and prioritize home health so that every American can get timely, high-quality care where they most want it most—at home.***

For further information, please contact:

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