**Support S. 2137/H.R. 5159 to Save the Medicare Home Health Program**

The Texas home health community is asking Congress to stop massive cuts to reimbursement for home health services proposed by the Centers for Medicare & Medicaid Services (CMS).

In 2018, Congress directed CMS to change the Medicare home health payment system beginning in 2020. In doing so, Congress required the new payment system, the Patient Driven Groupings Model (PDGM), to be budget neutral compared to the old system, intending that post-2020 payments should be as if the new system had not been enacted. To achieve budget neutrality, CMS was authorized to make certain payment adjustments on both permanent and temporary basis that allowed for a reconciliation of assumed behavior changes and actual behavior changes.

CMS finalized a flawed methodological approach for calculating the impact of provider behavior under PDGM, which resulted in a permanent -7.85% cut to Medicare home health payments in 2023. Based on the same methodology, CMS planned to implement at least $3.5 billion in temporary “claw back” cuts to home health payments. **In the CY 2024 Proposed Rule, CMS recalculated and increased these cuts – and has proposed a new total permanent cut of -9.36%, which means that CMS plans to cut the standard rate by an additional 5.653% beginning in CY 2024.** CMS has also increased its tally of “clawback” cuts that will result in at least $4 billion in future cuts. In total, the permanent and temporary cuts are now estimated to reduce home health payments by more than $20 billion over the next ten years. CMS’ recalculations result in more devastating and deeper cuts to home health each year, making for an impossible environment for home health providers. New cuts will only worsen troubling trends that are already making it harder for Medicare patients to leave the hospital and go home with care that helps them recover and rehabilitate.

***The Preserving Access to Home Health Act of 2023*** (S.2137/H.R. 5159), introduced by Sens. Debbie Stabenow (D-MI) and Susan Collins (R-ME) and Reps. Terri Sewell (D-AL) and Adrian Smith (R-NE), would safeguard access to essential home-based, clinically advanced health care services for America’s older adults and people living with disabilities by preventing CMS from implementing devastating cuts. **Passage of this legislation is imperative to ensure the continued functioning of the Medicare Home Health Program.**

**The bill would:**

* Repeal CMS’s authority to make these permanent and temporary payment cuts based on its misguided budget neutrality methodology; and
* Instruct the Medicare Payment Advisory Commission (MedPAC) to review and report on aggregate trends under Medicare Advantage, Medicaid, and other payers, and consider the impact of all payers on access to care for Medicare home health beneficiaries.

**CMS’ proposed cuts have a disproportionate impact on Texas Medicare beneficiaries and home health providers.** Although, home health care is broadly preferred by Medicare beneficiaries and helps patients avoid hospital visits and nursing home stays, it is estimated that **51.9% of Texas home health agencies will have margins below zero** and be forced to forgo $81.5 million in reimbursement if the 2024 cuts are implemented.