

County home care agencies also tend to be among the most financially fragile in the state. In fact, in recent years, nine public agencies in rural counties have closed and others are on the brink of closing. HCA is greatly concerned about the increasing jeopardy of access to home care services in rural areas.

New York State and the federal government have partnered to rebalance the health care system by shrinking hospital and nursing home capacity in favor of preferred and more cost-effective home and community-based services. Without the infrastructure and financial support to fill this gap, rural home care providers cannot answer this call, nor can these policies ever succeed. Ultimately, it is the patients in these areas who will fall between the cracks of the reduced institutional system and these inadequately supported home care agencies.

Issue: In late 2000, as part of the Benefits Improvement and Protection Act (BIPA), Congress enacted a 10 percent add-on for home health services delivered in rural areas between April 2001 and April 2003. On April 1, 2003, the payment add-on expired. The Medicare Modernization Act (MMA) of 2003 reinstated the rural payment improvement at 5 percent for a period of one year (April 1, 2004, through March 31, 2005). In February 2006, as part of the Deficit Reduction Act of 2005 (PL 109 - 171), a one-year (calendar year 2006) 5 percent rural add-on for home health services delivered in rural areas was signed into law. The 5 percent rural add-on expired for new home health services delivered on or after January 1, 2007.

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