



Home Health Copays and Regressive Payment Cuts Undermine Access to Services

President Obama's 2016 budget proposal would create a Medicare co-payment for elderly and disabled Americans accessing needed home health services, starting with those who become eligible for Medicare in 2019 and thereafter. This copayment would apply during certain 'episodes' of care. (An episode is a 60-day unit of home health services.) Specifically, the President's proposal would charge beneficiaries a \$100 copayment for home health episodes where the patient had five or more home health visits **not** preceded by a hospital or inpatient post-acute stay.

As budget negotiations continue to dominate the debate in Washington, Medicare home health beneficiaries and providers face a growing risk of copayments for future home health services amid further reimbursement cuts.

A home health copayment is, in effect, a "sick tax" that harms access to care for vulnerable seniors on fixed incomes, many of whom have multiple chronic conditions, live alone, and need home care to prevent health or safety risks that would otherwise require higher-cost services. If charged a copay, many seniors on fixed incomes will refuse the added charge on their benefits and opt out of vital home care services that help prevent hospitalization, ER visits and other emergent care. Consider the following:

- Most people with Medicare cannot afford to pay more. In 2013, half of Medicare beneficiaries (more than 25 million seniors and people with disabilities) lived on incomes below \$23,500. For Medicare home health patients, copays are an extreme disincentive for needed, cost-effective care.
- The loss of home care services for such a vulnerable population only increases their exposure to health and safety risks. Eighty-seven percent of home health users have three or more chronic conditions. Thirty-eight percent live alone. Many have disabilities that require routine care management. Others are at risk for falls. A loss of home care services is detrimental to their quality of life.
- Meanwhile, some home care providers will ultimately assume the cost-burden for patients who cannot afford this "sick tax". These providers have already been hit with \$100 billion in payment cuts over ten years under federal health reform, even though less than \$20 billion is spent on Medicare home health each year.
- In New York State, home care providers, on average, have had negative Medicare margins for the past twelve years. The combined impact of a copayment on beneficiaries and any further Medicare reimbursement cuts to an already overburdened system will severely jeopardize access to cost-effective home care services, shifting the cost burden to other areas of Medicare.

As budget negotiations continue, HCA asks Congress to help put a stop to regressive home health payment cuts and beneficiary charges that only serve to deny needed, cost-effective care.