



*Caring that Feels Right at Home*

## Press Release

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### **American Association for Homecare Praises President Obama for Hailing Homecare as “Cost-Efficient” Healthcare Solution**

ARLINGTON, VA, July 27, 2009 – The American Association for Homecare commends President Obama for highlighting the role of home-based care in controlling Medicare costs and in keeping older people out of more expensive institutional care.

Discussing proposed Medicare reforms, Obama said, “It is not an exercise in just cutting reimbursement rates in fact in some cases we may need higher reimbursement rates for certain aspects. I actually think home care ends up being cost-efficient in many cases rather than institutional care, and it helps keep people in their homes.”

The President made the remarks at a town hall meeting on healthcare reform in Shaker Heights, Ohio on July 23.

“We applaud the President’s recognition of homecare as a cost-effective alternative that reduces healthcare costs and allows millions of seniors to live in the comfort of their own homes,” said Tyler J. Wilson, President of the American Association for Homecare. “We urge Congress to recognize that homecare should be a critical component — not a casualty — of healthcare reform.”

Video of the President’s remarks can be found here (at 2:15):

[http://videos.cleveland.com/plain-dealer/2009/07/obama\\_holds\\_town\\_hall\\_meeting.html](http://videos.cleveland.com/plain-dealer/2009/07/obama_holds_town_hall_meeting.html)

President Obama’s remarks come on the heels of the American Association for Homecare’s healthcare roundtable discussion on Capitol Hill last Tuesday where both former Senate Majority Leader Tom Daschle and Blue Dog Democrat Rep. Jason Altmire (D-Pa.) stressed the cost-effective role that homecare can play in the reform of the U.S. healthcare system.

Attended by congressional staff and media, the roundtable also addressed the controversial competitive bidding program for home medical equipment and services and the fact that the sector has been the subject of recent and pending cuts. The home medical equipment (HME) sector provides medical oxygen therapy, hospital beds, wheelchairs, and other equipment and services that allow people to receive necessary medical care and equipment at home instead of in a hospital or nursing home.

Senator Tom Daschle noted, “We can provide low-cost good quality access in part through home healthcare. Home health is by far the most effective way to start producing wellness promotion and primary care....” Referring to the difference between the \$7 per day cost of oxygen therapy to more than \$5,000 per day for hospitalization under Medicare, Daschle said the difference “shows clearly how much of a panacea home healthcare can be....My mother’s quality of life is a hundred times better given the fact that she can live at home rather than be institutionalized at 86.”

Congressman Jason Altmire, one of the fiscally conservative Blue Dog Democrats in the House of Representatives, spoke about the role of home medical services and equipment in healthcare reform. “We’re going to preserve what works in our current system, first and foremost, and one of the things that works best in the current system is homecare. And if you look at what the goals are for healthcare reform, homecare touches on every one of them. When you think about wellness and prevention ... that can be done in the home better than anywhere else. There’s no more cost-effective setting than in the home.”

Senator Daschle and Representative Altmire were joined in the discussion by Peter Thomas, co-chair of the Consortium for Citizens with Disabilities’ Health Task Force, and Georgetta Blackburn, vice president for government relations at Blackburn’s, a home medical provider in Tarentum, Pa. `

Already in 2009, Medicare payments for the most commonly prescribed home medical equipment categories, including complex rehabilitative power wheelchairs and accessories, have been cut by 9.5 percent. Medicare reimbursement for medical oxygen therapy received in the home has also been cut by 27 percent this year -- so far. Oxygen is a critical, life-sustaining medical treatment prescribed for nearly 1.5 million Medicare patients who suffer from respiratory illnesses such as chronic obstructive pulmonary disease.

Another measure aimed at cutting home medical equipment costs, labeled “competitive” bidding, would selectively contract with a small number of homecare providers based on a race to bid the lowest payment. Even for those providers who agree to new bid-determined payment rates, Medicare only allows a select few to provide the items, which will have the long-term result of reducing the number of companies competing to offer homecare products and services. For more information on the bid program, see [www.aahomecare.org/competitivebidding](http://www.aahomecare.org/competitivebidding).

*The American Association for Homecare represents durable medical equipment providers, manufacturers, and other organizations in the homecare community. Members serve the medical needs of millions of Americans who require oxygen equipment and therapy, mobility assistive technologies, medical supplies, inhalation drug therapy, home infusion, and other medical equipment and services in their homes. The Association’s members operate more than 3,000 homecare locations in all 50 states. Visit [www.aahomecare.org/athome](http://www.aahomecare.org/athome).*