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HIDA Home Care, HHSSA and NAMES

Supporting Quality Health Care Services at Home

Special Alert

November 15, 2000

Act Now: Urge Congress to Support Homecare

Members of Congress return to Washington DC today after a month-long Congressional recess in their home districts. For the month of September, the legislators will be finalizing legislative initiatives that will impact your business and the Medicare beneficiaries you serve. **Please call key legislators today to voice your support for AAHomecare's top legislative issues and help build the momentum to secure our industry's legislative victories for the year!**

Included in this Special Alert are the legislators serving on the key committees and crafting a Medicare Restoration Package that will include homecare provisions. AAHomecare urges you to call the committee members as well as your Senators and Congressman. Any member of Congress may be reached by calling (202) 224-3121.

Let the health care legislative assistant know that you support the following to be included in a Medicare Restoration Package this year:

1. Restore the CPI for home medical equipment services

Restore the cost of living adjustment for home medical equipment in fiscal years 2001 and 2002. Income from Medicare was not only cut 30% for home oxygen, but all income for Medicare home medical equipment and services has declined in real terms in the absence of this adjustment. Labor and fuel costs in particular have continued to increase straining the industry's ability to treat patients.

2. Eliminate the 15% cut to the Medicare home health benefit and ensure access for the sickest, most frail Medicare beneficiaries to the benefit.

Eliminate the 15% cut for home health services scheduled for October 1, 2001. Over a five-year period, home health savings from BBA '97 were expected to be \$16.1 billion, however, the Congressional Budget Office now projects savings to be approximately \$70 billion.

One million eligible Medicare beneficiaries are no longer receiving home health services. Help restore access to these beneficiaries through elimination of the 15% cut, and additional funds for rural home health agencies and the PPS outlier provision.

3. Remove medical supplies from the home health PPS rates

The inclusion of medical supplies in the PPS rates has far-reaching implications for both home health and durable medical equipment providers. Medical supplies should be removed from the current prospective payment system (PPS) rates. The bundling of non-routine medical supplies into the home health agency prospective payment system (PPS) rate and consolidated billing for these supplies ignores the inherent complexities of the home health market and threatens the continuity of needed medical care.

Home health agencies and durable medical equipment providers have separate billing processes and Medicare contractors. This requirement would only increase unnecessary operational and administrative burdens for both

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provider groups. Congress should remove non-routine medical supplies from the home health PPS rates and eliminate consolidated billing for these supplies.

4. Require HCFA to implement Inherent Reasonableness in a rational manner

Require HCFA to develop a statistically reliable data collection methodology. Due to ongoing concerns regarding the IR process, Congress should ensure that the methodology has been properly established and is circulated for public comment prior to enactment.

For detailed descriptions of the above issues, please visit us at www.aahomecare.org. Or contact Mara Benner at (703) 836-6263 for further clarification on any of the above issues.

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- * Denotes member of the Subcommittee on Health

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