



Special Alert

January 17, 2002

AAHomecare Commends MedPAC's Unanimous Decision Recommending that Congress Eliminate the 15 Percent Cut to the Home Health Benefit

During a January 16 meeting, the Medicare Payment Advisory Commission (MedPAC) voted unanimously to recommend that Congress eliminate the additional 15 percent cut in the Medicare home health benefit, set for October 1 of this year. In addition, MedPAC also made recommendations for the elimination of the 1.1 percent reduction in the market basket update for home health PPS rates in FY 2003, and the extension of the ten percent add-on to PPS payments for rural home health beneficiaries for two years (from April 2003 to April 2005).

In anticipation of the January 16 meeting, AAHomecare's President & CEO Tom Connaughton sent a letter to the MedPAC commissioners on January 11, urging them to include an elimination of the 15 percent cut in their March recommendations to Congress. The letter stated, "We believe that the time to act is now. The home health industry, and the patients it serves, cannot afford to continue to deal with the uncertainty caused by further delays of the reduction."

In response to MedPAC's January 16 decision, Connaughton stated, "We commend MedPAC for its recommendations, which appear to be based on the realization that home health providers and beneficiaries are in desperate need of some stability for this vital Medicare benefit. We hope that these MedPAC recommendations will finally put the Medicare home health benefit on the path to a rational and reliable payment system that is based on medical necessity."

AAHomecare's Chairman, David Savitsky, expressed his enthusiasm about the decision stating, "It is good to see that MedPAC recognizes the serious consequences to the home health benefit that are posed by these additional cuts. Every home health provider and beneficiary should be grateful that MedPAC has shown leadership on this important issue."

Medicare Payment Advisory Committee (MedPAC) is an independent federal body established by the Balanced Budget Act of 1997 (P.L. 105-33) to advise Congress on issues affecting the Medicare program.

Download AAHomecare's letter to MedPAC online at:

<http://www.aahomecare.org/govrelations/medpacletter-111.pdf>

