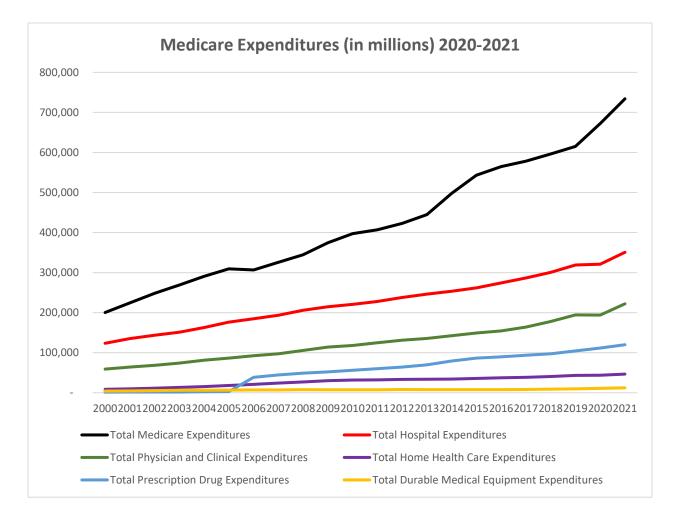


## Durable Medical Equipment (DME) Represents Approximately 1.35% of Medicare Spending



#### Source: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group

https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html



### Medicare Needs Cost-Effective Solutions

Medicare expenditures continue to rise in spite of flat lined DME spending. It is critical that costeffective home and community based services are strengthened and protected as our nation prepares for the senior tsunami.

- Overall Medicare spending increased over 266% from 2000-2021.
- DME grew at 73% of the rate of Medicare since 2020.
- DME as a percent of Medicare spending declined from 1.85% in 2011 to 1.68% (\$12.4 billion) of the Medicare budget in 2021.<sup>1</sup>

### DME is Essential in Meeting Health Care Triple-Aim

It is imperative that the United States invest in cost-effective solutions to meet the needs of a rapidly aging population. By 2040, the percent of people 85+ will double to 14 million,<sup>2</sup> and by 2060, almost a quarter of the US population will be  $65+.^3$ 

Durable medical equipment is a critical component of home-based care with tens of million Medicare beneficiaries relying on DME, supplies, and services to manage their needs in a home setting. Homecare is:

- Patient Preferred Over 75% of seniors want to age in place<sup>4</sup>
- **Cost Effective** Home based care is less expensive than institutional care<sup>5,6,7</sup>
  - For every dollar invested in DME, the health care system saves \$23-41.8
  - Oxygen therapy can be provided for one year for the cost of one day's stay in the hospital
- Better Health Outcomes home-based care reduces admissions/readmissions and lessens trips to the ED<sup>6</sup>

"Post pandemic, governments should relook at home care as it provides a safer, more affordable, and higher quality option for aging seniors." – World Economic Forum<sup>9</sup>

# Join us in preserving this important safety net for caring for our medically frail seniors and people with disabilities. Homecare is part of the solution to our nation's health care crisis, and it is imperative that Congress protects this valuable benefit to contain costs and provide better health outcomes.

#### Sources:

- 1. https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/nationalHealthAccountsHistorical.html
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- 7. "The Case for Medicare Investment in DME—2014 Update", Brian Leitten. http://www.vgmdclink.com/uploads/library/d1306dfcd9db67830ba14d4cd5b3be8c.pdf
- 8. <u>https://www.weforum.org/agenda/2020/10/why-home-could-be-the-safest-place-for-seniors-during-the-pandemic/</u>

<sup>5.</sup> Megido, I., Sela, Y. & Grinberg, K. Cost effectiveness of home care versus hospital care: a retrospective analysis. Cost Eff Resour Alloc 21, 13 (2023). <u>https://doi.org/10.1186/s12962-023-00424-0</u>

<sup>6.</sup> Howard, J., Kent, T. Improved Cost and Utilization Among Medicare Beneficiaries Dispositioned from the ED to Receive Home health Care Compared with Inpatient Hospitalization. American Journal of Accountable Care, vol 7, issue 1 (March 2019). <u>https://www.aimc.com/view/improved-cost-and-utilization-among-medicare-beneficiaries-dispositioned-from-the-ed-to-receive-home-health-care-compared-with-inpatient-hospitalization</u>

<sup>6. &</sup>lt;u>https://www.prnewswire.com/news-releases/new-study-sees-growing-home-health-care-as-key-to-saving-us-billions-in-hospital-costs-114144914.html</u>