



June 28, 2022

The Honorable Xavier Becerra  
Secretary  
United States Department of Health and Human Services  
200 Independence Ave SW  
Washington, DC 20201

Dear Secretary Becerra:

I write with deep concerns about actions HHS is taking that will reduce access to post-acute care for older adults.

LeadingAge represents more than 5,000 nonprofit and mission-driven aging services providers, including Medicare- and Medicaid-certified skilled nursing facilities, home health agencies, and hospice providers. Alongside our members and 38 state partners, we use applied research, advocacy, education, and community-building to make America a better place to grow old. Our membership encompasses the continuum of services and settings for people as they age, including those with disabilities. We bring together the most inventive minds in the field to lead and innovate solutions that support older adults wherever they call home.

We commend the Biden Administration, from the early days of the campaign, for taking a strong stand on ensuring quality in long-term care services and particularly for promoting services in home and community settings. The release of last week's home health prospective payment (PPS) rule runs counter to the letter and spirit of these well-articulated values and goals. Cutting Medicare home health payments by an aggregate 4.2% including a 7.69% negative adjustment to the base payment, coupled with an effort to cut an additional \$2 billion from home health services, will have a devastating effect on older adults who rely on these services. Further, it runs counter to the Administration's stated goals of promoting equity and the use of home and community-based care.

The release of the home health PPS prospective payment rule with its proposed major funding cut, on the heels of the proposed Skilled Nursing Facility (SNF) PPS rule (that also cuts post-acute care funding) sends a chilling message to providers of these services, particularly nonprofit and mission-focused organizations. If finalized, these cuts will significantly worsen the staffing crisis in these service lines and limit access to care for older individuals who need it.

As the only association that represents providers across aging services settings, we take a holistic view of the potential impact of the proposed PPS rules. They do not bode well for older people. LeadingAge members provide Medicare skilled nursing, home health, and hospice services. Both the SNF and



home health PPS rules call for drastic cuts to payment. While the hospice PPS rule had a modest increase on paper, any actual payment increases are wiped out by the return of sequestration and the high inflationary costs currently being faced by providers.

Therefore, the overall impact of CMS' proposals is the potential for devastation across the continuum of care. From our vantage point, the combined impact of the proposed payment cuts and current workforce and inflationary pressures would lead to waves of closures and the inability of providers that remain to take on new patients and residents. The fragile long-term care ecosystem could simply cease to exist, especially our mission-driven, high-quality members.

The impact of CMS's proposals stands in stark contrast to the Administration's stance on the importance of long-term care. Since his campaign, President Biden has spoken to the needs of older adults. He released a plan on 21<sup>st</sup> century caregiving and the impact on workforce. He also called for a major investment in home and community-based services – \$400 billion. We were vocal in our support of these initiatives and were thrilled to see a focus on older adults, considering the devastating impact of COVID-19 on the population our members serve. Once again, we ask how we can help to achieve these lofty goals (and some of those outlined in the Administration's more recent proposal on nursing homes) when the financial equation simply does not add up?

The workforce crisis is real. All LeadingAge provider members, across settings, are experiencing workforce shortages. Unlike retail or other business sectors, aging services providers cannot raise their prices. They are reliant on Medicare and Medicaid dollars to provide high-quality care. Taken as a whole, CMS's proposals in the Medicare space are going to hurt that mission rather than help it. It is more expensive to hire staff and there are often not staff available. One member recently reported having her first applicant for an open position in six months. This is not an uncommon story – in fact, what is more common is not getting any applications at all.

Providers have also absorbed additional costs for personal protective equipment, tests, and other equipment that have simply gotten more expensive. For home health and hospice providers, the cost of gas alone is enough to warrant increases rather than decreases in pay.

The Administration has an admirable focus on equity; LeadingAge has integrated a renewed focus on diversity, equity, and inclusion as well. This pursuit is undercut when home health aides and certified nursing assistants, many of whom are immigrants or people of color, are likely losing money simply driving from home to home. Our members are supporting them as best they can, but once again are limited by the dollars provided to them by CMS.

The COVID-19 pandemic devastated our members and the older adults they serve. It cracked open the weaknesses in our fragile ecosystem of care for older adults regardless of where they call home. Their caregivers, our members, are burnt out but persist because caring for older adults is their mission and passion. They shouldn't be rewarded for that passion with fewer resources. We should take what we have learned from these past two and a half years and put *more* money into the system so that our



members can modify, adapt, and grow in response to the pandemic rather than continue to figure out where they can cut costs and ultimately, cut services.

LeadingAge and its members strive to provide the highest quality, person-centered care across the entire continuum. We want to take the lessons learned from this pandemic and work with you to envision and enact a future where high-quality long-term care is accessible and affordable for all. Many of the Administration's bold statements about long-term care and home and community-based care point to historic support to accomplish this high standard. Cutting the funding for essential services makes it impossible to turn that vision into reality.

Sincerely,

A handwritten signature in black ink that reads "Katie Smith Sloan".

Katie Smith Sloan

President/CEO

LeadingAge

Cc: Chiquita Brooks-LaSure, Administrator, Center for Medicare and Medicaid Services

Jon Blum, Principal Deputy Administrator and Chief Operating Officer, Center for Medicare and Medicaid Services

Dr. Meena Seshamani, Deputy Administrator and Director, Center for Medicare