October 3, 2023

Chairman Benjamin L. Cardin
Senate Committee on Finance, Subcommittee on Health Care
219 Dirksen Senate Office Building
Washington, DC 20510-6200

Ranking Member Steve Daines
Senate Committee on Finance, Subcommittee on Health Care
219 Dirksen Senate Office Building
Washington, DC 20510-6200
Re: Aging in Place: The Vital Role of Home Health in Access to Care

Dear Chairman Cardin and Ranking Member Daines,

The mission of LeadingAge is to be the trusted voice for aging. We represent more than 5,000 mission driven aging services providers that touch millions of lives every day. 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 entire continuum of aging services. We bring together the most inventive minds to lead and innovate solutions that support older adults wherever they call home.

We commend the Senate Finance Subcommittee on Health for hosting this critical and timely hearing to better understand the benefits of and barriers to home health care. We appreciate the opportunity to submit a statement for the record as well.

Home Health Payment
As we stated in our comments on the CY2024 Home Health Proposed rule, the articulation of President Biden's vision of ensuring access to a quality long-term care system is impeded by the Administration's proposed 2.2% cut to home health services in this proposed rule. If implemented, CMS will have cut home health payment permanently by nearly 10% in two years (-9.356%). These cuts are coming at times when our members costs and demand for services are rising and cannot be met. Continuing to implement these cuts 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. From our vantage point, the combined impact of the proposed payment changes and current workforce and inflationary pressures would lead to waves of closures and the inability of providers that remain to take on new referrals.

Many of our member are having the same experience as that relayed to the Subcommittee by witness Ms. Carrie Edwards. Many non-profit, mission driven home health agencies have reduced their service areas in response to the devestating cuts in the last two years leaving many Americans without access to needed supports. Contrary to Dr. David Grabowski's statements regarding margins, LeadingAge members' experience is not consistent with Medicare Payment Advisory Commission margin analysis. The cuts implemented in CY2023 and proposed in CY2024 are devastating to nonprofit, mission driven

providers our members as embodied in the hearing by Ms. Edwards. LeadingAge supports and advocates for the *Preserving Access to Home Health Act (S.2137, H.R. 5159)* which would prevent the damaging cuts and require analysis by MedPAC and new data to be collected prior to making further changes to the payment system.
We also would like to challenge Dr. Grabowski's belief that there will be adjustments to the payment as more information is made available about the impact of the COVID-19 Public Health Emergency. In their last two years of proposed rulemaking, the Centers for Medicare and Medicaid Services (CMS), has clearly stated that they took into consideration all possible impacts of the pandemic and adjusted the payment methodologies accordingly. This tells the provider community, even if further evidence becomes available that the pandemic had an impact on home health providers, the Administration is unwilling to make adjustments to the payment methodology.

We need Congress to act – CMS is clear that they can only make payment adjustments in aggregate. The hearing highlighted the opportunity to make targeted payment adjustments. We support reinstituting a higher rural add on payment. But other targeted payment adjustments also need to occur – our members serve more complex patients, like those dually eligible and those coming from safety net hospitals. They also serve patients entering the home health benefit from the community which pays less but still requires a high level of support, particularly as relates to social needs. CMS needs the authority to adjust payment not in aggregate and also needs to be instructed to look at specific factors that would allow agencies that take on those who are more complex and higher risk (both medically and based on social determinants of health) to receive appropriate payment.

Access to Home Health Services
There seemed to be general agreement, including from Dr. David Grabowski who is a former member of the Medicare Payment Advisory Commission (MedPAC), that the current definition of access, a beneficiary leaving in a zipcode with at least two home health agencies, is insufficient and incomplete. LeadingAge has worked with members on how they measure rejection referral rates and other ideas around what access should look like. We strongly encourage Congress to pass legislation examining access to home health care and develop a more reliable measure for this access. We agree with Dr. Mroz and Dr. Grabowski that such a measure cannot be developed without the involvement of acute care institutions and referring clinicans. When we spoke with our home health agencies, many could not accept referrals from acute care or community-based providers, and because of that rejection they do not complete a comprehensive assessment of the patient and do not have access to the patient's basic data points to consistently track capacity. The patient's need for home health is therefore lost unless captured by the referring provider.

Home Health and Medicare Advantage
We strongly agree with the repeated concerns raised by nearly all witnesses around how home health services were being provided to Medicare Advantage patients. LeadingAge has been a strong advocate for changes under the Medicare Advantage system. We hear from all providers that the contracts they are given pay less than traditional Medicare and prevent beneficiaries from receiving the full benefits of home health and the plans limit the number of visits available to beneficiaries or create barriers to authorizing needed visits.

We strongly encourage Congress to continue their oversight of the Medicare Advantage program and ensure that there is transparency in payment to providers. Currently, MedPAC margin analysis only includes data on fee-for-service payments since plans are not required to share how much they pay providers. With nearly half of all home health episodes taking place in Medicare Advantage, this skews the view of margins in the industry. Traditional fee-for-service should not be subsidizing the cost of care for Medicare Advantage.

Medicaid Rule

Senator Hassan asked questions regarding the Medicaid Access Rule and a requirement that 80% of Medicaid funds must be directed to direct care worker compensation for HCBS delivered under service types of homemaker, home health, and personal care services. While we are supportive of CMS' intent – to increase wages for direct care staff – LeadingAge is cites a number of reasons CMS proposal is ill-advised. We strongly believe that the direct care workforce needs a range of supports to be successful including a living wage and recommend Congress invest in making this a reality by both increasing the Federal Medical Assistance Percentage for all Medicaid funded services and investing in other domestic and international workforce solutions. CMS' proposal does not give providers enough room in their budgets to cover necessary costs – including those important for high quality care, like training and supervision. If a provider were to remain operational in the face of this requirement, they would likely end up not raising pay to try to achieve compliance, but rather cut back on other administrative functions that support quality. If this provision is enacted as proposed, we will see more people go without care and not see the growth in wages that CMS is seeking. More research is needed on how implementation of such a threshold could really occur -- the examples that CMS cites are either not yet implemented or have a vastly different definition than CMS proposes. Most critically, a proposal like this cannot be considered without more federal dollars.

Workforce

Workforce came up repeatedly throughout the hearing. Workforce is the number one issue for all our members and home health is no exception. In fact, the workforce to serve people in the home have additional challenges. People who work in home health – nurses, therapists, aides – have to go into the home, often alone. They must have the experience to make decisions without others directly around with whom to consult. Members describe their nurses and other clinical staff as having to be autonomous, decisive, experienced, and adaptable. The extra training needed to train someone to be in the home needs additional consideration – through the payment system as well as in making workforce policy.

There is no single solution to unprecedented workforce challenges; a wide range of ideas, policies, and solutions are needed to ensure America's older adults and families can get the care and services they need. LeadingAge asks that Congress enact policies to:

- Pay aging services professionals a living wage;
- Offer incentives to retain and attract qualified staff;
- Expand training and advancement opportunities;
- Build dependable international pipelines of trained caregivers; and
- Enact meaningful, equitable long-term care financing.

Thank you again for holding this hearing and we look forward to working with you on solutions. If you have any questions, please reach out to Mollie Gurian, VP of Home Based and HCBS Policy, at mgurian@leadingage.org.