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## MEMORANDUM

**TO:** Home and Community Based Services Members

**FROM:** Cheryl Udell, Community Services Policy Analyst

**DATE:** February 2, 2011

**SUBJECT:** **MedPAC Recommendations**

**ROUTE TO:** Director

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ABSTRACT: MedPAC recommends changes to home health reimbursement.

### Introduction

At its Jan. 13, 2011 meeting, the [Medicare Payment Advisory Commission \(MedPAC\)](#) voted to recommend to Congress changes to Medicare certified home health to address fraud/abuse, payment adequacy and accuracy and utilization. A per-episode co-pay was among the most controversial recommendations.

MedPAC is an independent Congressional agency charged with advising the U.S. Congress on issues affecting the Medicare program. The Commission's statutory mandate is quite broad: In addition to advising the Congress on payments to private health plans participating in Medicare and providers in Medicare's traditional fee-for-service program, MedPAC is also tasked with analyzing access to care, quality of care, and other issues affecting Medicare

### Additional Recommendations

The commissioners recommend that:

- The secretary of the U.S. Health and Human Services (HHS) launch investigations in areas of the country where there are high episode and utilization of home health services.
- The Centers for Medicare and Medicaid Services (CMS) should eliminate the 2012 market basket update and begin a 2-year rebasing starting in 2013 (1 year earlier than planned).
- Revising the case-mix adjuster to use patient characteristics to set payments for therapy instead of the number of therapy visits.

- A per-episode co-pay be considered. The MedPAC model showed a \$150 co-pay per episode (about \$8 per visit). There is a concern that the co-pay does not target inappropriate use of the home health benefit and could discourage individuals who need home health from obtaining these services.

Please contact me with any questions at [cudell@nyahsa.org](mailto:cudell@nyahsa.org) or call 518-867-8383 ext. 151.

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