

Preserve Access to Medicare Rural Home Health Services

BACKGROUND

Since the inception of the Medicare Home Health Prospective Payment System, the rural add-on has stood as a crucial safeguard ensuring that Medicare beneficiaries in rural areas enjoy access to the full scope of the Home Health benefit. In many parts of the country home care workers must travel great distances – more than an hour in some cases – to deliver care to their patients. In some areas, unique modes of transportation are also required, including floatplanes and boats.

These scenarios place additional financial burdens on home health agencies to meet the cost of travel expenses. Home health agencies are also forced to employ additional professionals to offset the decreased number of hours that a clinician can spend on direct patient care throughout their work day due to increased travel times. These burdens are not faced by agencies providing care in most urban areas.

Dating back to 2000, the Benefits Improvement and Protection Act established a 10 percent addition to services provided in rural areas. This ran from April 1, 2001 through April 1, 2003. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 reestablished the rural add-on at 5 percent from April 1, 2004 through March of 2005. The Deficit Reduction Act of 2006 again enabled a 5 percent add-on that ran through 2006. As part of the Patient Protection and Affordable Care Act the rural add-on was reinstated at a rate of 3 percent, running from April 1, 2010 – December 31, 2015. This was then extended as part of the Medicare Access and CHIP Reauthorization Act in 2015, to run from January 1, 2016 through December of 2017.

Most recently the Bipartisan Budget Act of 2018 (BBA) provided for the current extension, though on a targeted basis, with complete phase out by 2023. The BBA provides three different rural add-on factors as follows:

1. The top 25% of rural counties by utilization of the benefit per 100 eligible beneficiaries – 1.5% add-on in 2019, 0.5% add-on in 2020.
2. Counties that have a population of 6 or fewer individuals per square mile – 4% add-on in 2019 followed by 1% decrease per year thereafter.
3. All other areas – 3% add-on in 2019 followed by 1% decrease per year thereafter.

The BBA also called for an analysis to be conducted by the Office of the Inspector General (OIG) “of the home health claims and utilization of home health services by county (or equivalent area) under the Medicare program” to be conducted by 2023.

What Congress Should Do:

Extend the home health rural add-on at 3% to all services provided in rural areas through 2024. This will create stability and protect access to care while the OIG conducts their analysis and allows for more precise policy decisions to be made in future legislation. This extension would provide protection of access to care while the new payment model, PDGM, takes effect.



For More Information: Contact NAHC Government Affairs at 202-547-7424