

September 8, 2011
Via Electronic Mail

Joint Select Committee on Deficit Reduction
The Honorable Patty Murray, Co-Chair
The Honorable Jeb Hensarling, Co-Chair

Members

The Honorable Xavier Becerra
The Honorable Dave Camp
The Honorable James E. Clyburn
The Honorable Fred Upton
The Honorable Chris Van Hollen
The Honorable Max Baucus
The Honorable Jon Kyl
The Honorable John Kerry
The Honorable Rob Portman
The Honorable Pat Toomey

Dear Co-Chairs and Members:

As members of the Joint Select Committee on Deficit Reduction (“Joint Select Committee”), you have been tasked with the critical job of drafting legislation to further reduce our nation’s federal debt and deficit in the coming weeks and months. The Visiting Nurse Associations of America (VNAA) stands ready to work with you on this critical endeavor.

As you begin this effort, we would like to express our views on priorities and considerations as they relate to home health and hospice care.

Safety Net Providers Keep Vulnerable Patients Out of Institutional Care

VNAA’s membership of 159 providers is representative of the concerns of over 1,459 nonprofit home health agencies and 1,184 nonprofit hospice agencies from across the nation. As safety net providers, our members provide care to clinically complex elderly and disabled populations in both rural and urban communities. Chief among the patients we serve are the dually eligible.

Today, roughly 21 percent of Medicare beneficiaries are dually eligible, qualifying for both Medicaid and Medicare. Providing care to these patients accounts for about 36 percent of all Medicare spending.ⁱ This vulnerable population tends to be among the sickest and poorest individuals covered by either the Medicaid or Medicare programs. Over 50 percent of dual eligible beneficiaries have incomes below \$10,000 and twice as many beneficiaries have “fair or poor” health compared to the general Medicare

population.ⁱⁱ It is the mission of VNAA's members to reduce the cost of providing care to these beneficiaries – and all patients we serve - by providing high quality care at home rather than in institutional settings.

Given the populations we serve, we urge the Joint Select Committee to protect and preserve the integrity of the home health and hospice safety net delivery system so it can play a central role in reducing unnecessary, avoidable and costly institutional care, particularly among our nation's most vulnerable patients.

Cuts Have Already Been Sustained in Home Health and Hospice

As you may know, in the Affordable Care Act, the nation's homecare and hospice system sustained deep cuts, including across-the-board payment reductions that disproportionately impact nonprofit providers. These cuts included \$39.7 billion over 10 years to home health and \$7.8 billion over 10 years to hospice.

The VNAA is committed to maintaining quality care for our patients despite these reductions, but we are concerned that additional reductions of this nature could jeopardize agencies' ability to continue offering care to the hardest to reach populations.

Co-Payments Will Result in Increased Institutional Care

We would urge the Joint Select Committee to reject proposals that would impose additional out-of-pocket costs on our nation's seniors – such as Medicare home health co-pays. We are deeply concerned that proposals of this nature would result in reduced access to care, particularly for the frail elderly or those patients with low or limited incomes.

According to CMS, 64 percent of home health users are 75 or older, with 63 percent of users being women. Furthermore, 47 percent of Medicare beneficiaries live on incomes below 200 percent of the Federal Poverty Level, or under \$30,000 per yearⁱⁱⁱ Even a minimal co-pay requirement could lead to patients skipping much-needed home health assistance, out of inability or fear of inability to pay.

Without access to appropriate and timely home healthcare, patients may end up back in the hospital or another institutional setting at much greater costs to themselves, their families and to the Medicare program. Indeed, Congress *eliminated* the home health co-pays in 1972 to encourage the use of less costly, non-institutional services.

For these reasons, VNAA along with AARP and 30 other national organizations have strongly opposed recent proposals to impose a co-pay on home health services.

Fighting Fraud, Waste, and Abuse

While we are concerned about the impact of further payment reductions or policies that shift financial burdens to seniors, we actively support policies focused on addressing fraud, waste, and abuse.

VNAA and its members are working closely with CMS, MedPAC and Members of Congress to identify ways to eliminate waste, fraud, and abuse in both home health and hospice. For example, we continue to support the establishment and implementation of a moratorium on new home health and hospice providers entering the Medicare program, particularly in communities where misconduct is suspected.

Conclusion

VNAA is proud to represent nonprofit home health and hospice providers who play a critical role in serving their local communities and have unique insights and expertise to share. We offer our services and support to you in working to ensure access to quality home health and hospice care, improving program integrity, and reducing inappropriate spending.

Thank you for your consideration. Please contact either myself or Kathleen Sheehan, VNAA's Vice President of Public Policy at KSheehan@vnaa.org or (202) 384-1456 for more information on the VNAA and our policies.

Sincerely,



Andy Carter
VNAA President and CEO

ⁱ Kaiser Family Foundation.(2011). *Affordable Care Act Provisions Relating to the Care of Dually Eligible Medicare and Medicaid Beneficiaries*. District of Columbia.

ⁱⁱ Kaiser Family Foundation. (2011) *Dual Eligibles: Medicaid's Role for Low-Income Medicare Beneficiaries*. District of Columbia.

ⁱⁱⁱ Department of Health and Human Services, Medicare & Medicaid Statistical Supplement, 2009, available at: http://www.cms.gov/MedicareMedicaidStatSupp/10_2009.asp#TopOfPage