



August 16, 2022

Submitted electronically via: <http://regulations.gov/>

The Honorable Chiquita Brooks-LaSure  
Administrator  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
7500 Security Boulevard  
Baltimore, MD 21244

**RE: CMS-1766-P: CY 2023 Home Health Prospective Payment System Rate Update; Home Health Quality Reporting Requirements; and Home Infusion Therapy Requirements**

Dear Administrator Brooks-LaSure:

Thank you for the opportunity to submit comments on the proposed rule for the Calendar Year (CY) 2023 Home Health Prospective Payment System (PPS).

Moving Health Home (MHH) is a coalition of health care organizations with a bold vision to make the home a site of clinical service. Our members share in the belief that experience during the pandemic has accelerated the day when care in the home is an accessible option for patients.

For our members, clinical care in the home refers to a spectrum of health services provided in the home or place of dwelling outside of a facility, such as hospital-level or acute care, primary care office, skilled nursing and therapy services, and hospice. It can mean a house call from a primary care doctor or nurse, a physical therapy session, a laboratory and diagnostic service, a home infusion, or a full complement of hospital-level services. At the core, we want to remove regulatory barriers to ensure all patients may choose to receive clinical care in the home and take advantage of the convenient, high-quality care that comes when patients receive home-based care.

Unfortunately, the Centers for Medicare and Medicaid Services' (CMS') proposed cut of 4.2 percent to home health providers threatens our collective mission to achieve a broader set of home-based care options for patients, which is the [preferred site](#) of care for the majority of Americans. Home health services are the underpinning of home-based services in the Medicare program, and CMS should be building on that foundation instead of divesting. We believe the proposed cut runs counter to [CMS' strategic goals](#) to drive accountable care, advance health equity, support innovation, and address affordability. At the same time, it is misaligned with the Administration's commitment to advancing home and community-based services, which CMS has [reemphasized](#) publicly as recently as July 2022.

If you look only at the CY 2023 annual payment update increase of 2.9 percent, even that is significantly below current inflation rates. On top of that, we have seen the national average hourly rate for home health nurses increase year-over-year, as well as durable medical equipment costs and gas prices. The permanent behavioral adjustment of -7.69 percent under the Patient-Driven Groupings Model (PDGM) on top of the small increase will greatly reduce the standardized 30-day payment to home health providers. As a result, [analysis](#) suggests that 37 percent of free-standing home health agencies, and 50 percent of all non-hospital-based agencies, would be operating at less than zero percent net margin.



Notwithstanding the fact that these margins will force some home health agencies to close, there are other significant ripple effects the cuts will cause if finalized.

### **Impact on Home Health Providers**

Home health agencies play a vital role in partnering with health systems and payers to take on risk through accountable arrangements. Through these partnerships, home health agencies have helped support the drive to accountable care, and these proposed cuts would make value-based arrangements less feasible. Additionally, these cuts may impact health equity in two ways. First, we could see access to home health services reduced in many service areas, particularly in rural and underserved communities. Second, the home health workforce, which is already in crisis, may face additional barriers to adequate pay, recruitment, and retainment. A workforce that is largely made up of immigrants and people of color.

More, innovation in the home health space has skyrocketed in recent years due to a stable payment environment. Providers have been able to experiment with system transformation and better learn how to drive higher quality and reduced costs. Without adequate payment rates, innovation is at risk if these cuts are finalized. These cuts may appear to ‘address affordability’ for the federal government, but that is far from the truth. Less transformation, fewer services, less innovation, and less access will all have grave consequences on our system’s total cost of care.

### **Increase to Nursing Homes, While Cutting Home Health**

In the CY 2023 final rule for the skilled nursing facility (SNF) PPS, CMS increased Medicare payments to nursing homes by \$904 million, or 2.7 percent. CMS had previously proposed to cut payment to SNFs. If the home health rule is finalized with net cuts, the message will be deeply conflicted. CMS would be increasing the payment to facility-based nursing homes while decreasing payment to home health providers. This is misaligned with the Administration’s commitments and perspective of Americans who [prefer](#) to age in place.

We encourage CMS to re-evaluate its methodology and policies behind the home health PPS updates. In general, we urge CMS to base its payment policy on evidence and current data, not behavioral assumptions. As you know, data built into the methodology is from 2017 and 2018, which does not take into consideration the happenings of late, including the pandemic and spikes in inflation. Additionally, we recommend that CMS delay the permanent adjustment for at least one year or adopt a phased-in approach over the next two or three years at a minimum. Ultimately, we ask that CMS take the necessary action to mitigate these devastating payment cuts on home health providers.

Thank you for considering our comments. We welcome the opportunity to provide further feedback on how to achieve our shared goals. Please do not hesitate to reach out to Jeremiah McCoy at [jmccoy@movinghealthhome.org](mailto:jmccoy@movinghealthhome.org) with any questions regarding our comments or if we can be a resource to you in any way.

Sincerely,

Krista Drobac  
Moving Health Home