



August 26, 2024

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1803-P
P.O. Box 8013
Baltimore, MD 21244-8013

Re: Medicare Program; Calendar Year (CY) 2025 Home Health Prospective Payment System (HH PPS) Rate Update; HH Quality Reporting Program Requirements; HH Value-Based Purchasing Expanded Model Requirements; Home Intravenous Immune Globulin (IVIg) Items and Services Rate Update; and Other Medicare Policies

Dear Administrator Brooks-LaSure,

The Home Care Association of Florida (HCAF), representing over 1,100 Medicare-certified home health agencies across the state, respectfully submits comments on the proposed rule published by the Centers for Medicare & Medicaid Services (CMS) and the U.S. Department of Health and Human Services in the Notice of Proposed Rulemaking (NPRM) for the Calendar Year (CY) 2025 Home Health Prospective Payment System (HH PPS) Rate Update and related Medicare policies (89 Fed. Reg. 55312, July 3, 2023). HCAF is deeply concerned about the significant and far-reaching implications of these proposed reforms on Florida's home health sector and the vulnerable beneficiaries it serves.

General Concerns With the Proposed Rule

HCAF shares the broader home health community's concerns regarding the persistent reductions to the Medicare home health benefit as outlined in the CY 2025 HH PPS proposed rule. Since the implementation of the Patient-Driven Groupings Model (PDGM) in 2020, home health agencies have faced reimbursement cuts totaling over \$21 billion, with an additional \$4.5 billion in reductions projected through 2029. These cuts, implemented with limited transparency and insufficient justification, have created substantial financial uncertainty for providers, jeopardizing access to care for the three million Medicare beneficiaries who depend on home health services annually.

Despite the growing demand for home health care, driven by an aging population and its proven cost-effectiveness, utilization has declined significantly. This trend is largely attributable to the financial instability caused by ongoing reimbursement cuts, leading to reduced service areas, limited patient admissions, and numerous agency closures. The continued reductions in reimbursement rates also undermine agencies' ability to invest in quality improvements, retain skilled staff, and adopt necessary technologies, potentially increasing overall Medicare spending as care shifts to more expensive settings.

Florida-Specific Impact of the Proposed Rule

Florida's unique demographic and economic characteristics amplify the negative effects of the proposed rule on the state's home health agencies. Specific concerns include:

1. **Continued Cuts to Medicare Home Health Reimbursement:** The proposed 4.067% permanent reduction in payment rates is part of a troubling pattern of financial erosion that has already severely impacted the Medicare home health benefit. These financial pressures have forced agencies to curtail service areas, limit patient admissions, and, in some cases, close operations entirely, compromising access to care for Florida's most vulnerable populations.
2. **Impact of CBSA Revisions on Payment Rates:** The proposed adoption of the latest Office of Management and Budget (OMB) Core-Based Statistical Area (CBSA) delineations for the home health wage index will significantly impact several Florida regions. High-cost areas such as Miami-Fort Lauderdale-West Palm Beach, Tampa-St.

Petersburg-Clearwater, and Orlando-Kissimmee-Sanford are likely to experience notable reductions in their wage index values. Despite a proposed 5% cap on wage index decreases, these regions will still face substantial payment reductions, exacerbating existing financial strains and potentially leading to further reductions in service provision.

3. **Exacerbation of Workforce Shortages:** Florida is already grappling with severe health care workforce shortages, a situation worsened by ongoing payment cuts. Diminished reimbursement rates hinder agencies' ability to offer competitive wages, contributing to a 76% referral rejection rate due to staffing inadequacies. This workforce crisis is particularly concerning given Florida's rapidly growing elderly population and escalating demand for home health services.
4. **Economic and Access-to-Care Implications:** The financial instability induced by these cuts extends beyond the home health sector, affecting the broader health care system and state economy. As agencies reduce services or close, patients increasingly turn to more expensive care settings, such as hospitals and nursing homes, driving up overall health care costs. This shift contradicts the objective of providing cost-effective, patient-preferred care in the home and risks deteriorating health outcomes due to disruptions in timely and appropriate service delivery.

Recommendations

In light of these concerns, HCAF respectfully urges CMS to consider the following actions:

1. **Postpone Implementation of the 4.067% Rate Cut:** Defer any additional permanent adjustments related to PDGM budget neutrality to allow for a comprehensive evaluation of their impact on access to care and the financial viability of home health services, particularly within states like Florida.
2. **Reevaluate CBSA Delineations:** Reconsider the proposed adoption of new CBSA delineations by accounting for the distinctive economic and demographic factors influencing high-cost regions in Florida. A tailored approach is essential to ensure equitable and adequate reimbursement that supports continued service provision in these areas.
3. **Address Workforce Shortages Through Targeted Support:** Develop and implement incentive programs aimed at workforce retention and recruitment in high-need regions, supporting agencies in maintaining sufficient staffing levels to meet growing patient demand and ensuring high-quality care delivery.
4. **Provide Financial Relief for Past Forecasting Errors:** Correct forecasting inaccuracies related to the Market Basket Index updates from 2021 and 2022 by issuing a one-time adjustment to address resultant underpayments. This correction is crucial for restoring financial stability to agencies adversely affected by these errors.
5. **Enhance Data Transparency and Accessibility:** Increase transparency by providing detailed, timely data regarding the impact of proposed policy changes on home health agencies, patient access, and care outcomes. Improved data accessibility will facilitate informed stakeholder engagement and support evidence-based policy development.

Conclusion

HCAF is dedicated to advocating for the sustained provision of high-quality, cost-effective home health care services to Medicare beneficiaries across Florida. The proposed CY 2025 HH PPS Rate Update, as currently structured, poses significant threats to the accessibility and quality of these essential services. We strongly encourage CMS to consider the recommendations outlined above and to collaborate closely with stakeholders to develop policies that support the longevity and effectiveness of the home health care sector.

We appreciate your attention to these critical issues and stand ready to assist in any collaborative efforts to ensure the continued success and sustainability of home health services for the benefit of Medicare beneficiaries in Florida and nationwide.

Sincerely,



Denise Bellville, RN, BS, COS-C
Executive Director