

Medicare Panel Mulls Cutting Home Health, Inpatient Rehab

By Shira Stein

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- Hospice also on cut list in 2 percent cut
- Payment increase only recommended for acute care hospitals

The panel that advises Congress on Medicare is considering 5 percent cuts to home health-care providers and inpatient rehabilitation facilities in 2020.

Hospice care also is profitable, so the panel is looking at a 2 percent cut.

The Medicare Payment Advisory Commission (MedPAC) discussed their proposed updates to payment rates at their Dec. 6-7 meeting.

The recommendations are preliminary, and the commission will vote on them in January. Congress isn't required to use these recommendations but typically does.

The proposed reduction in payments were tied to the high profit margins, access to capital, and access to care in those facilities.

Home health facilities had the highest profit margin across all Medicare fee-for-service facilities, at 15.2 percent in 2017, and the commission expects that to rise to 16 percent in 2019.

Rehab facilities had a profit margin of 13.8 percent in 2017, and hospice facilities had a profit margin of 10.6 percent in 2017.

Here are the payment recommendations:

- Home health facility payments reduced by 5 percent.
- Inpatient rehabilitation facility payments reduced by 5 percent.
- Hospice facility payments reduced by 2 percent.
- Acute care hospital payments increased by 2 percent.
- No payment change for physicians.
- No payment change for skilled nursing facilities.
- No payment change for long-term care hospitals, although commissioners didn't reach consensus on that rate.

MedPAC staff also recommended a 1.9 percent increase for outpatient dialysis, as consistent with current law, but the MedPAC commissioners couldn't reach a general consensus on that proposal.

The commissioners will reevaluate those payment updates at the meeting in January and the recommended rates could change.

The commissioners are also mulling a recommendation to the Department of Health and Human Services that ambulatory surgical centers should be required to report costs of care to the government.

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