



June 25, 2009

Dear Member of New York Congressional Delegation:

On behalf of the Home Care Association of New York State (HCA), I write to express strong opposition to the U.S. House of Representatives' draft health reform legislation which contains dramatic and far-reaching Medicare and Medicaid policy changes as well as catastrophic cuts to the Medicare home care program.

HCA's membership is comprised of more than 200 mission-driven home care providers across New York State that offer hundreds of thousands of elderly, disabled adults and children access to necessary health care services in their homes. The Medicare cuts to home care included in the House "Tri-Committee Health Reform Proposal" would be devastating to these providers and to their ability to continue to serve the needs of their patients.

It is estimated that the House proposal would cut home care Medicare payments by \$51 billion over ten years and include a freeze in the 2010 home care market basket update, the rebasing of home care payment rates in 2011, the acceleration of the "case-mix" creep adjustments that reduce home care payment rates and also, beginning in 2010, the reduction of payments to home care providers through a "productivity" adjustment. Cuts of this magnitude would flatten New York's home care community with a devastating blow, and would be on top of nearly \$200 million in crippling Medicare reimbursement cuts to New York State's home care agencies between 1997 and 2007.

Repeated reimbursement cuts over the past years to New York State's home care providers have caused major financial fragility in the home care delivery system. The net effect has been that home care agencies are trying to maintain their mission of providing necessary care to the patients that need it the most, while struggling to remain financially stable. In our state, Medicare operating margins for our state's home care agencies remain in the red for the seventh year in a row (negative 9.07%). I have enclosed a fact sheet that was distributed recently to your health care staff that illustrates the financial fragility of New York State's home care agencies and refutes recommendations made by the Medicare Payment Advisory Commission (MedPAC) regarding the home care system.

The financial stability of the home care safety net is crucial to the efficient, stable functioning of our state's health care system. Home care plays a vital role in the continuum of care, providing care to post-acute patients being discharged from a hospital stay, and providing a

less-costly alternative to long term care that in the past was only available in a nursing home. Home care's cost-effectiveness and the broader health system's dependence on its services is invaluable and well documented. While New York State has been a leader in developing innovative home care models that serve as examples of the expanded role that home and community based care alternatives can play in the health care system, diminishing reimbursement that doesn't cover the cost of care has caused home care access to suffer in parts of the state. Cuts of this magnitude will cripple our system.

HCA supports health care reform and coverage expansion that is based on sound health care policy principles and builds on the strengths of our current system, especially the use of a secure home care structure that has been constructed to support the entire delivery system. HCA opposes reforms that make draconian across-the-board cuts that will do nothing more than jeopardize providers that are already struggling to stay afloat.

HCA appreciates any opportunity to work with you and your staff to provide input into the health care reform debate to strengthen and improve the home care system as a critical part of the health care continuum. We would welcome the chance to discuss our ideas about the many home care programs in New York State that can be used as a model for the nation in any national health care reform effort.

Sincerely,

A handwritten signature in cursive script that reads "Joanne Cunningham". The signature is written in black ink and is positioned above the printed name.

Joanne Cunningham
President

Attachment