

Medicare Home Healthcare: Impact of Rebasing on Home Health Under Current Law

Under the Affordable Care Act (ACA), the Centers for Medicare and Medicaid Services (CMS) is authorized to rebase home health payments between 2014 and 2017. Rebasing is a process intended to align Medicare payment with costs. However, new data analyses find that current law Medicare home health cuts have caused the change intended by rebasing. Moreover, the analyses reveal that this current law trajectory is even leading to negative margins in a number of states by 2017 – even if CMS does not rebase home health payments.

Market Segment/ Subgroup	2017 Medicare Margin: Current Law with No Rebasing	2017 Medicare Margin: Current Law with 1.2% Rebasing ¹	2017 Medicare Margin: Current Law with 3.5% Rebasing ²
ALL	4.7%	0.0%	-11.4%
URBAN/RURAL			
Rural	4.3%	-0.4%	-11.8%
Suburban	3.7%	-1.0%	-12.4%
Urban	7.9%	3.2%	-8.2%
STATE			
AK	-8.8%	-13.5%	-24.9%
AL	11.2%	6.5%	-4.9%
AR	3.1%	-1.6%	-13.0%
AZ	8.3%	3.6%	-7.8%
CA	2.1%	-2.6%	-14.0%
CO	11.8%	7.1%	-4.3%
CT	12.7%	8.0%	-3.4%
DC	9.3%	4.6%	-6.8%
DE	8.4%	3.7%	-7.7%
FL	5.2%	0.5%	-10.9%
GA	11.9%	7.2%	-4.2%
HI	-11.7%	-16.4%	-27.8%
IA	6.7%	2.0%	-9.4%
ID	-1.7%	-6.4%	-17.8%
IL	3.0%	-1.7%	-13.1%
IN	0.7%	-4.0%	-15.4%
KS	11.7%	7.0%	-4.4%
KY	11.1%	6.4%	-5.0%
LA	10.8%	6.1%	-5.3%
MA	7.2%	2.5%	-8.9%
MD	5.1%	0.4%	-11.0%
ME	2.0%	-2.7%	-14.1%
MI	2.5%	-2.2%	-13.6%

Market Segment/ Subgroup	2017 Medicare Margin: Current Law with No Rebasing	2017 Medicare Margin: Current Law with 1.2% Rebasing ¹	2017 Medicare Margin: Current Law with 3.5% Rebasing ²
MN	7.3%	2.6%	-8.8%
MO	6.3%	1.6%	-9.8%
MS	9.8%	5.1%	-6.3%
MT	-1.5%	-6.2%	-17.6%
NC	13.3%	8.6%	-2.8%
ND	9.4%	4.7%	-6.7%
NE	12.8%	8.1%	-3.3%
NH	7.8%	3.1%	-8.3%
NJ	7.3%	2.6%	-8.8%
NM	2.3%	-2.4%	-13.8%
NV	-1.0%	-5.7%	-17.1%
NY	-6.0%	-10.7%	-22.1%
OH	13.6%	8.9%	-2.5%
OK	5.5%	0.8%	-10.6%
OR	-8.8%	-13.5%	-24.9%
PA	12.9%	8.2%	-3.2%
RI	12.3%	7.6%	-3.8%
SC	12.0%	7.3%	-4.1%
SD	-12.7%	-17.4%	-28.8%
TN	11.7%	7.0%	-4.4%
TX	3.0%	-1.7%	-13.1%
UT	6.7%	2.0%	-9.4%
VA	9.7%	5.0%	-6.4%
VT	4.6%	-0.1%	-11.5%
WA	5.7%	1.0%	-10.4%
WI	-2.6%	-7.3%	-18.7%
WV	12.4%	7.7%	-3.7%
WY	-8.6%	-13.3%	-24.7%

1. Rebasing by -1.2% per year for 4 years would result in a 0% Medicare margin for Medicare-certified home healthcare providers.

2. The Affordable Care Act caps the rebasing cut at -3.5 percent per year.