

2012 Home Care Issues:
***Support Temporary National Moratorium on New
Home Health Agencies***

Background: CMS has sufficient data to indicate that rapid increases in the number of home health agencies has led to increases in utilization and spending beyond that which would be indicated by payment changes, growth in enrollees, or policy actions. Massachusetts has seen an increase of 27 certified agencies in the past four years – an increase of more than 20 percent.

Issue: The Affordable Care Act authorizes the Secretary of Health and Human Services to implement a temporary moratorium on new home health care agencies in any state without either licensure or Certificate of Need (CON), or in any state where the growth in new agencies in the most recent four years has exceeded 15%; and/or in any state where data on “agencies per capita” indicate sufficient coverage.

Summary: This moratorium would be in place until such time as HHS and CMS reform the deemed accrediting practices to be more rigorous. These practices should set higher standards for fiscal stability, accelerated first and second-year payment audits, and revalidation of quality at end of year two.

- The National Association for Home Care and Hospice collected data indicating that from 2001-2006, Medicare spending grew 2.5 times more in states where the number of home health agencies (HHA’s) increased as compared to states where the number of providers remained the same or decreased.
- Recent growth in Massachusetts is driven by that fact that the Commonwealth is one of only a few states that has *neither state licensure nor certificate of need rules for new home health care*.
- This ability to “take all comers” was further exacerbated by a CMS decision a few years ago to allow state Survey agencies to transfer their responsibilities for new Medicare home health certification to private accreditation agencies. Our experience is that these private surveys are less rigorous and that it has become much too easy for new agencies to become established without a full understanding of the complexity of Medicare compliance.
- In late February, a Dallas physician and the office manager of his medical practice, along with five owners of home health agencies, were arrested on charges related to their alleged participation in a nearly \$375 million health care fraud scheme involving fraudulent claims for home health services. In addition to the indictment, CMS suspended an additional 78 home health agencies (HHA) associated with the physician based on credible allegations of fraud against them.
- Existing Massachusetts agencies – some of whom have been in operation for more than 100 years – have worked long and hard to create a tradition where fraud and abuse are not in the regional vocabulary. We know the lessons from other regions that growth in excess of demand in a determined geographic area heightens the potential for prohibited practices to begin to appear, and we would like to avoid any such trend.

Contact: James Fuccione – Home Care Alliance of Massachusetts

jfuccione@thinkhomecare.org

617-482-8830
