

Estimated Reductions in Medicare Fee-for-Service Home Health Payments by State, 2011-2020

Reductions due to Case Mix, ACA Cuts (MB, Productivity Adjustment, Outliers), and Sequestration. Impact of Rebasing and ICD-9

| State | Estimated Reductions in Medicare Home Health Payments - 2011-2020 (Case Mix, ACA{MB, Prod, Outlier}, Sequestration) ⁽²⁾ | Estimated Impact of Rebasing and ICD-9, 2011-2020 | Total Medicare Home Health Reductions, 2011-2020 (Case Mix, ACA{MB, Prod, Outlier}, Sequestration, Rebasing, ICD-9) |
|-------|---|---|--|
| | <i>in millions</i> | <i>in millions</i> | <i>in millions</i> |
| Total | \$72,510.00 | \$21,979.00 | \$94,489.00 |
| AK | \$11.00 | \$3.00 | \$14.00 |
| AL | \$954.00 | \$289.00 | \$1,243.00 |
| AR | \$280.00 | \$85.00 | \$365.00 |
| AZ | \$543.00 | \$164.00 | \$707.00 |
| CA | \$5,641.00 | \$1,710.00 | \$7,351.00 |
| CO | \$557.00 | \$169.00 | \$726.00 |
| CT | \$1,014.00 | \$308.00 | \$1,322.00 |
| DC | \$70.00 | \$21.00 | \$91.00 |
| DE | \$163.00 | \$50.00 | \$213.00 |
| FL | \$9,221.00 | \$2,795.00 | \$12,016.00 |
| GA | \$936.00 | \$284.00 | \$1,220.00 |
| HI | \$28.00 | \$8.00 | \$36.00 |
| IA | \$222.00 | \$68.00 | \$290.00 |
| ID | \$114.00 | \$34.00 | \$148.00 |
| IL | \$4,665.00 | \$1,414.00 | \$6,079.00 |
| IN | \$953.00 | \$289.00 | \$1,242.00 |
| KS | \$307.00 | \$93.00 | \$400.00 |
| KY | \$627.00 | \$190.00 | \$817.00 |
| LA | \$8,768.00 | \$2,658.00 | \$11,426.00 |
| MA | \$2,221.00 | \$673.00 | \$2,894.00 |
| MD | \$879.00 | \$266.00 | \$1,145.00 |
| ME | \$308.00 | \$94.00 | \$402.00 |
| MI | \$2,871.00 | \$870.00 | \$3,741.00 |
| MN | \$357.00 | \$108.00 | \$465.00 |
| MO | \$742.00 | \$225.00 | \$967.00 |
| MS | \$1,227.00 | \$372.00 | \$1,599.00 |
| MT | \$61.00 | \$19.00 | \$80.00 |
| NC | \$1,743.00 | \$528.00 | \$2,271.00 |
| ND | \$14.00 | \$4.00 | \$18.00 |
| NE | \$173.00 | \$53.00 | \$226.00 |
| NH | \$347.00 | \$105.00 | \$452.00 |
| NJ | \$1,447.00 | \$439.00 | \$1,886.00 |
| NM | \$287.00 | \$87.00 | \$374.00 |
| NV | \$537.00 | \$163.00 | \$700.00 |
| NY | \$1,605.00 | \$487.00 | \$2,092.00 |
| OH | \$1,745.00 | \$528.00 | \$2,273.00 |
| OK | \$1,677.00 | \$509.00 | \$2,186.00 |
| OR | \$178.00 | \$54.00 | \$232.00 |
| PA | \$2,138.00 | \$648.00 | \$2,786.00 |
| RI | \$214.00 | \$65.00 | \$279.00 |
| SC | \$562.00 | \$171.00 | \$733.00 |
| SD | \$12.00 | \$3.00 | \$15.00 |
| TN | \$1,314.00 | \$398.00 | \$1,712.00 |
| TX | \$11,685.00 | \$3,542.00 | \$15,227.00 |
| UT | \$437.00 | \$132.00 | \$569.00 |
| VA | \$1,253.00 | \$380.00 | \$1,633.00 |
| VT | \$142.00 | \$43.00 | \$185.00 |
| WA | \$585.00 | \$177.00 | \$762.00 |
| WI | \$485.00 | \$147.00 | \$632.00 |
| WV | \$160.00 | \$49.00 | \$209.00 |
| WY | \$27.00 | \$8.00 | \$35.00 |

Notes:

- (1) Baseline spending from the Centers for Medicare and Medicaid Services Office of the Actuary May 2013 Baseline, included in Medicare Trustees Report
- (2) Reductions include ACA market basket reductions, productivity adjustment, outlier reduction, case mix adjustments, sequestration, and Partnership estimate of 10% outlier cap
- (3) Medicare reductions are allocated to states based on states' share of total Medicare FFS home health payments in 2011
- (4) Rebasing and ICD-9 policies estimated based on CMS' Proposed Rule Home Health Prospective Payment System Rate Update for CY 2014
- (5) CMS estimates the net impact of the CY 2014 Home Health Proposed rule is a \$290 million decrease in HH payments, or -1.5%
 CMS estimates the impact of rebasing to be a \$650 million decrease and the ICD-9 to be a \$100 million decrease in CY 2014
 The difference, i.e., the reason the rule net impact is so much less than the rebasing impact, is that it is offset by the market basket increase (+\$460 million)
 In the absence of the rebasing and ICD-9 changes, payments to home health agencies would have increased by \$460 million, rather than decrease by \$290 million
 The above table shows the estimated impact of the rebasing and ICD-9 proposals over the 2011-2020 time period