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Obamacare Cuts to Medicare Home Health Lead to Largest Sector Job Loss in More than a Decade

- New Medicare funding cuts spur potential for continued job loss in once thriving job market -

Washington, DC - The December [jobs report](#) from the Bureau of Labor Statistics (BLS) reflects the largest recorded loss of jobs experienced by the nation's home health community in more than a decade. In total, 3,700 jobs were lost in December 2013, in apparent anticipation of the unprecedented 14 percent cut to the Medicare home health benefit, which went into effect on January 1.

Prior to the December 2013 decline in home health jobs, this healthcare sector contributed a net increase in new jobs in 125 of 131 preceding months and experienced negative job growth only five other times since 2003. According to the BLS seasonally adjusted employment records ranging from January 2003 through December 2013, the December 2013 job loss was the largest single month job loss recorded in the past ten years.

"There is widespread concern that this loss in jobs is just the beginning," stated Eric Berger, CEO of the Partnership for Quality Home Healthcare. "With home health facing an unprecedented 14 percent cut in Medicare funding over the next four years, significant additional job losses are expected. Indeed, if the Medicare home health rebasing cuts are not corrected, Avalere Health projects that a total of 500,000 home healthcare jobs could be lost. As a result, nearly 1.5 million seniors could lose access to the high-quality, cost-effective home health services they need, and taxpayer costs will therefore rise as medical services are instead delivered in more costly institutional settings."

As part of its implementation of the Affordable Care Act (ACA), the Obama Administration finalized the Home Health Prospective Payment System (HHPPS) rule, which cuts Medicare home health funding by 3.5 percent annually over the next four years, amounting to an unprecedented total cut of 14 percent. In its final regulation, the Administration projected that this cut will drive "approximately 40 percent" of all home health agencies to net losses by 2017, resulting in job loss, agency consolidation and potential bankruptcy by thousands of providers.

The Partnership for Quality Home Healthcare is urging the Obama Administration to fully examine the impact of the rebasing cut on patient access and jobs over all four years in which it is to be implemented. Home health leaders are also asking the Secretary of Health and Human Services to use her authority to reduce the severity of the cut.

Approximately 10,000 Americans turn 65 each day, many of who will require complex medical care in their homes to manage chronic conditions, rehabilitative needs and post-acute care. To meet this growing need and ensure senior access to clinically advanced, cost-effective and patient preferred care, an adequate employee base of skilled professionals is critical.

"As Americans live longer and seek to age in the dignity and safety of their homes, the home health sector could serve as an engine of new job creation. Judging from the jobs that have already been lost since the imposition of Obamacare's unprecedented cuts, however, such job growth may no longer be possible," added Berger.

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The Partnership for Quality Home Healthcare was established to assist government officials in ensuring access to skilled home healthcare services for seniors and disabled Americans. Representing community- and hospital-based home healthcare agencies across the United States, the Partnership is dedicated to developing innovative reforms to improve the quality, efficiency and integrity of home healthcare. To learn more, visit www.homehealth4america.org. To join the home healthcare policy conversation, connect with us on [Facebook](#), [Twitter](#) and our [blog](#).