RE: Challenges Facing Physical Therapist in Home Health

Dear Colleagues:

As the federal government begins implementation of the new health care reform law, there are many changes on the horizon for home health. Among those changes are significant payment reductions, initiatives to improve patient care, and efforts to enhance program integrity. In all of these efforts, there is a critical role for the physical therapy community and APTA, in conjunction with the Home Health Section of APTA, will be at the forefront as policies and regulations affecting physical therapists in the home are being developed.

One of the primary issues of concern is the elimination of fraud and abuse within the Medicare home health benefit. In a recent Government Accountability Office (GAO) report, it was found that a small but growing number of home health providers were abusing the system, especially in certain parts of the country – such as Florida’s Miami-Dade County, where a 1,300 percent cost increase took place since 2003 and is attributed to gaming of the system and the practice of ordering therapy visits above and beyond what is medically necessary to treat the patient’s condition. Over the past year, CMS has prevented over $450 million in improper payments. Current proposals to reduce waste, fraud and abuse in health insurance reform legislation are projected to save an additional $1.3 billion over the next 10 years.

The recently passed health care reform law, called the Patient Protection and Affordable Care Act (PPACA), increases funding by $10 million each year for 10 years to focus on Medicare program integrity and anti-fraud abuse activities. In addition, the law requires a screening for all providers and suppliers, including home health agencies, before granting Medicare billing privileges. In addition, the Home Health Prospective Payment System 2011 proposed rule contains a lengthy proposal on therapy coverage criteria in the home health setting to ensure that therapy services provided in the home are appropriate. All of these activities are aimed at curbing fraud and abuse, as well as mitigating overutilization of services, under Medicare home health.

The federal government’s increased efforts to focus on fraudulent activities within Medicare home health is further evidenced by recent activities undertaken by Congress in recent weeks. Specifically, the Senate Finance Committee announced that it has started an investigation of the operating procedures at four home health agencies – Amedisys, Almost Family, Gentiva...
Health Services, and the LHC Group. This investigation is prompted by a *Wall Street Journal* article that intimated that the home health agencies increased the number of visits furnished to Medicare beneficiaries in order to boost reimbursement rates received from the federal government. The Chairman of the Committee Senator Max Baucus (D-Mont.) and ranking member Senator Chuck Grassley (R-Iowa) sent letters to the home health agencies informing them of the investigations and in turn, each agency has expressed their intent to fully cooperate with the Senate investigation. As a result of this Senate investigation, the U.S. Securities and Exchange Commission (SEC) has announced that they are investigating Amedisys and Almost Family for their therapy utilization practices.

As these investigations and other efforts by the federal government take place, APTA along with the Home Health Section will be closely monitoring all activity to ensure that any discussions regarding the practice of physical therapy and utilization of services is accurate, comprehensive and unbiased. In addition, it is APTA’s primary objective to effectively advocate to Congress and the federal government the role and the benefits of physical therapy in the home in order to ensure that all patients have access to quality physical therapy services. As always, it is our objective to educate our membership to ensure that all physical therapy services are delivered in a clinically appropriate, ethical, and professional manner in compliance with all federal and state regulations and policies.

In the coming weeks, APTA and the Home Health Section will be providing updates to members as these activities unfold. Therefore, we encourage you to visit the [APTA website](http://www.apta.org) and or [Home Health Section website](http://www.apta.org/HomeHealth) for more information. You may also contact APTA’s Government and Payment Advocacy Unit at 1-800-999-2782 extension 8533.

Sincerely,

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