

Impacts of the 2025 Proposed Rule

*Exploring the effects of MA
and Medicare rate cuts through data*





Agenda

- Introductions
- Potential impacts of the 2025 CMS Proposed Rule
- Effects of Medicare Advantage on the industry
- The link between margin erosion and access to care
- Tips for overcoming market challenges
- Avenues for industry advocacy
- Q&A

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Impacts of the Proposed Rule: Meet the Panelists



John Gochnour

President and Chief Operating Officer

Pennant Group



Scott Pattillo

Chief Strategy Officer

Homecare Homebase



Home Care Market Challenges



AGENCY FINANCIAL PRESSURES



CLINICIAN SHORTAGES



MEDICARE ADVANTAGE



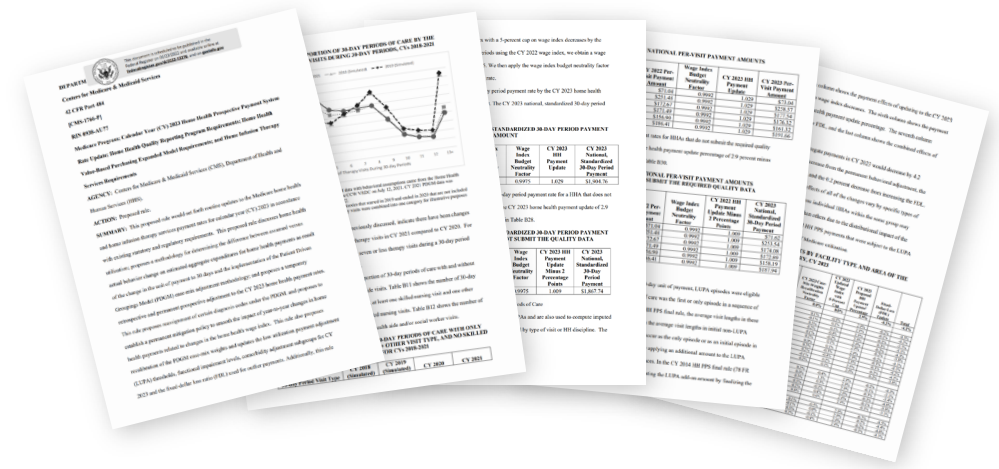
REGULATORY UNCERTAINTY

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Home Health Proposed Rule

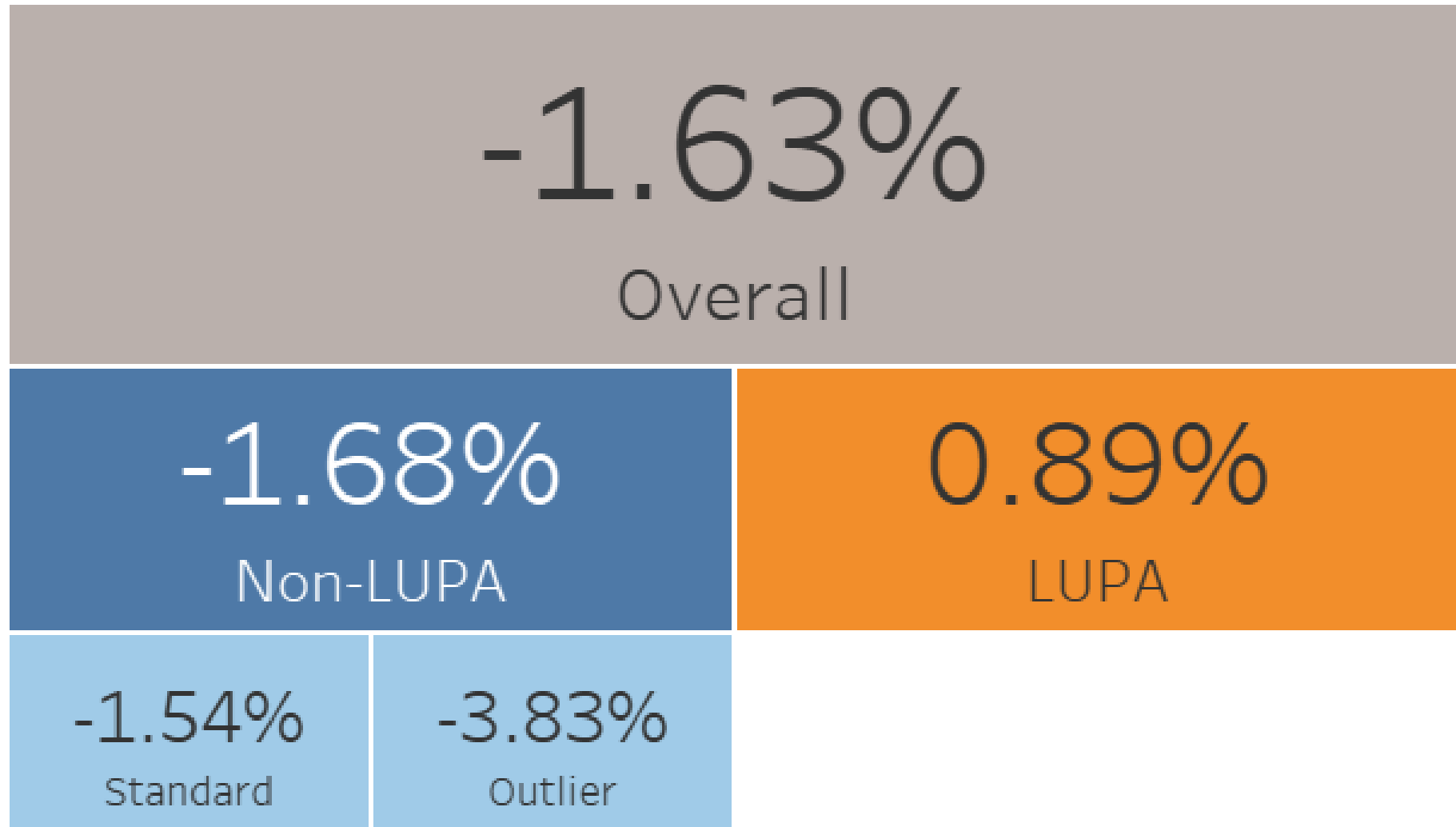
- CMS published the CY 2025 Proposed Rule for Home Health on June 26th.
- The rule proposes Home Health regulations for 2025.
- Final rule is expected in November.



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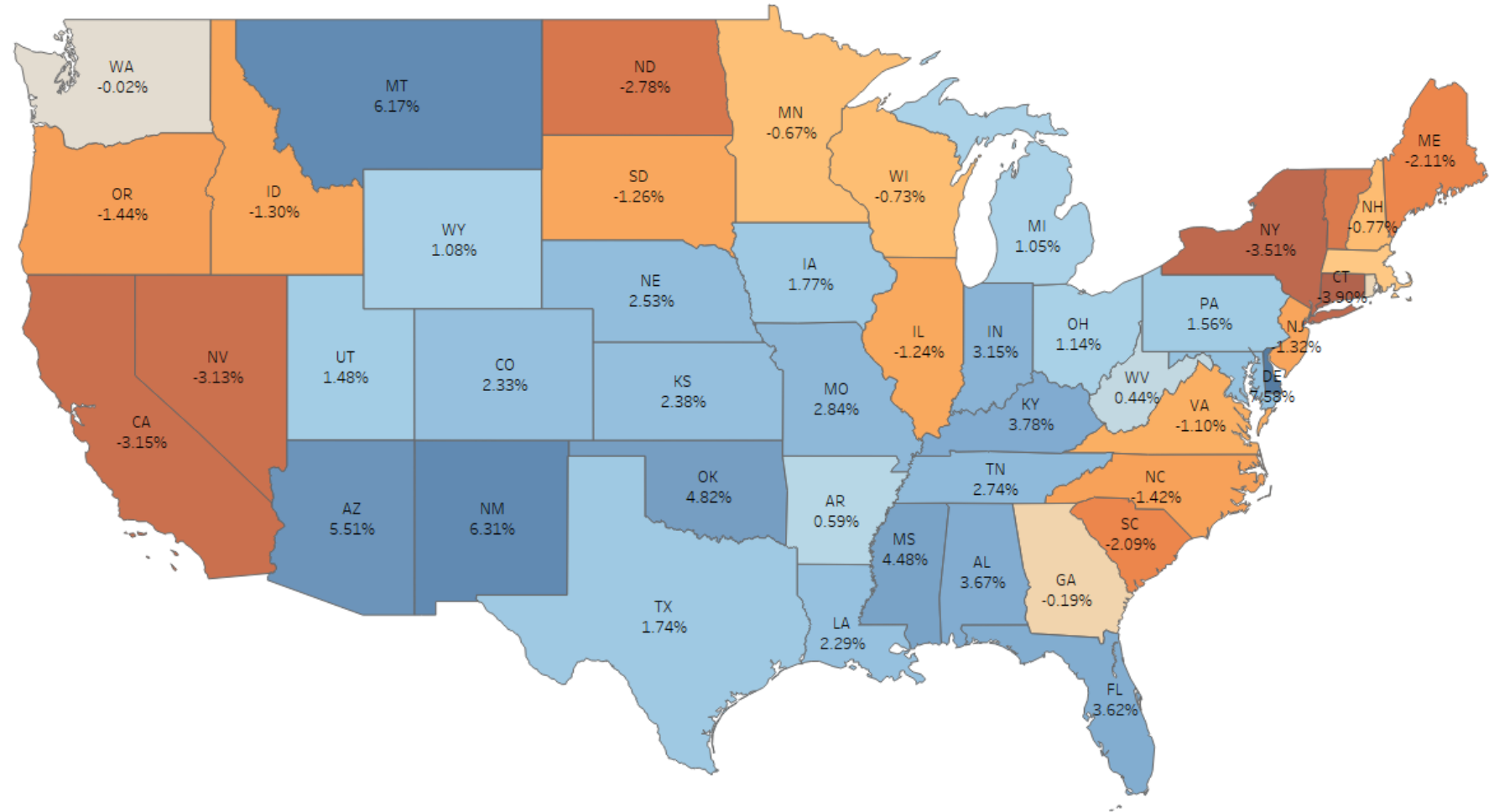
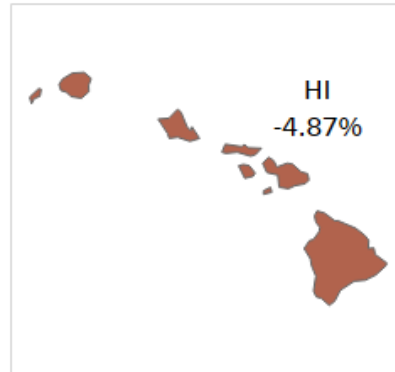
What Would the Impact Model Look Like for Us?



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Wage Index Change by State



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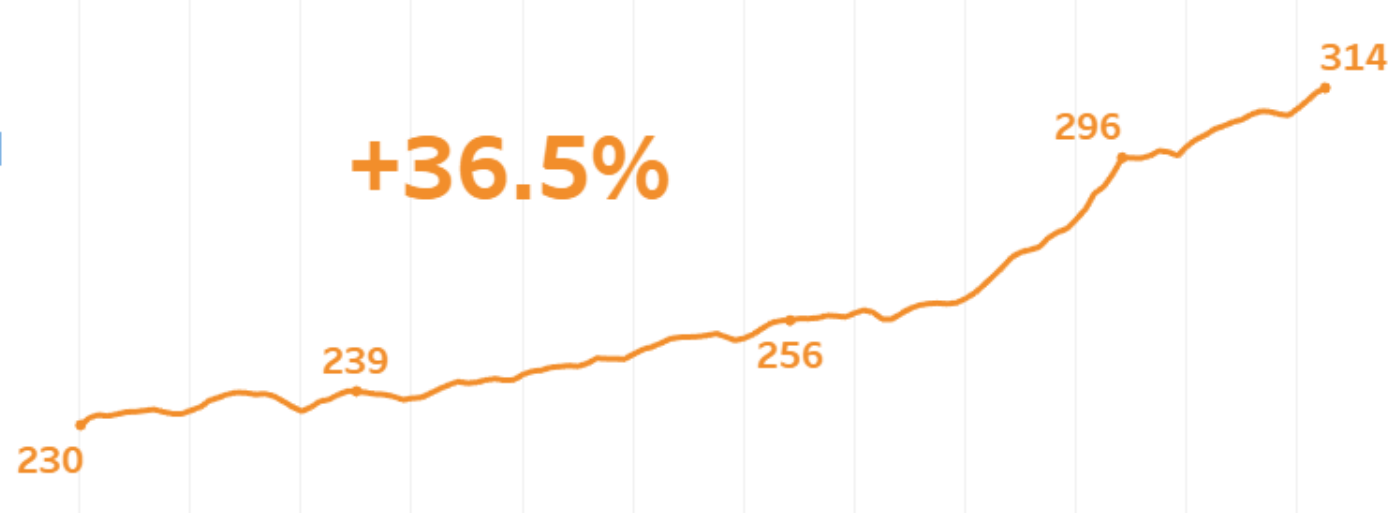


Margin Erosion: Inflation

Revenue per Patient
has grown slowly
since 2013.



However, the
Consumer Price Index (CPI) increased
significantly over
that same
timeframe.

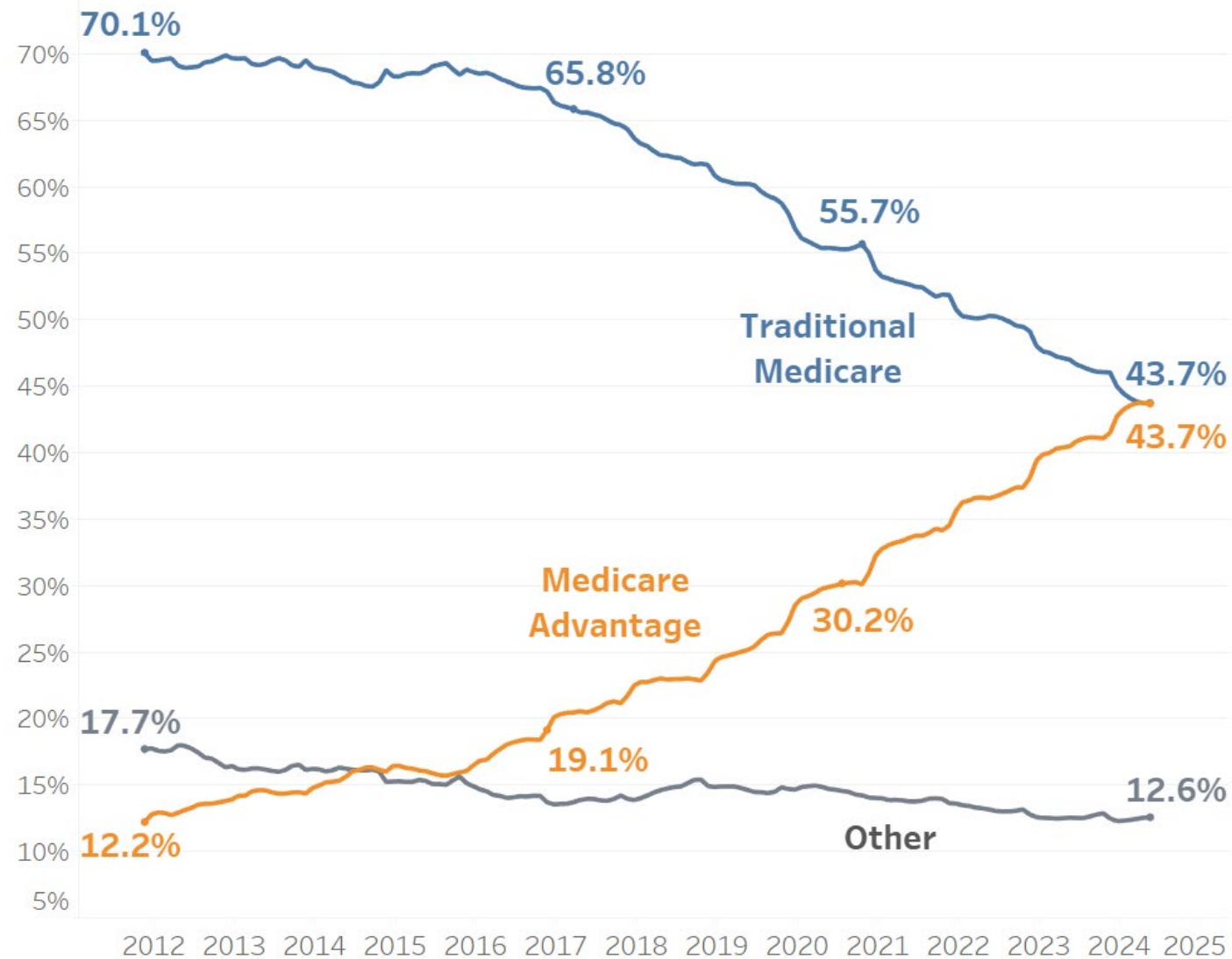


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Margin Erosion: Medicare Advantage

– CMS national annual visits by payer (*not just HCHB*)





Margin Erosion: Medicare Advantage



Remaining margin

Medicare margin (MedPac Est for 2023)	17.00%
Medicare Advantage margin	-11.62%
Remaining margin	5.38%

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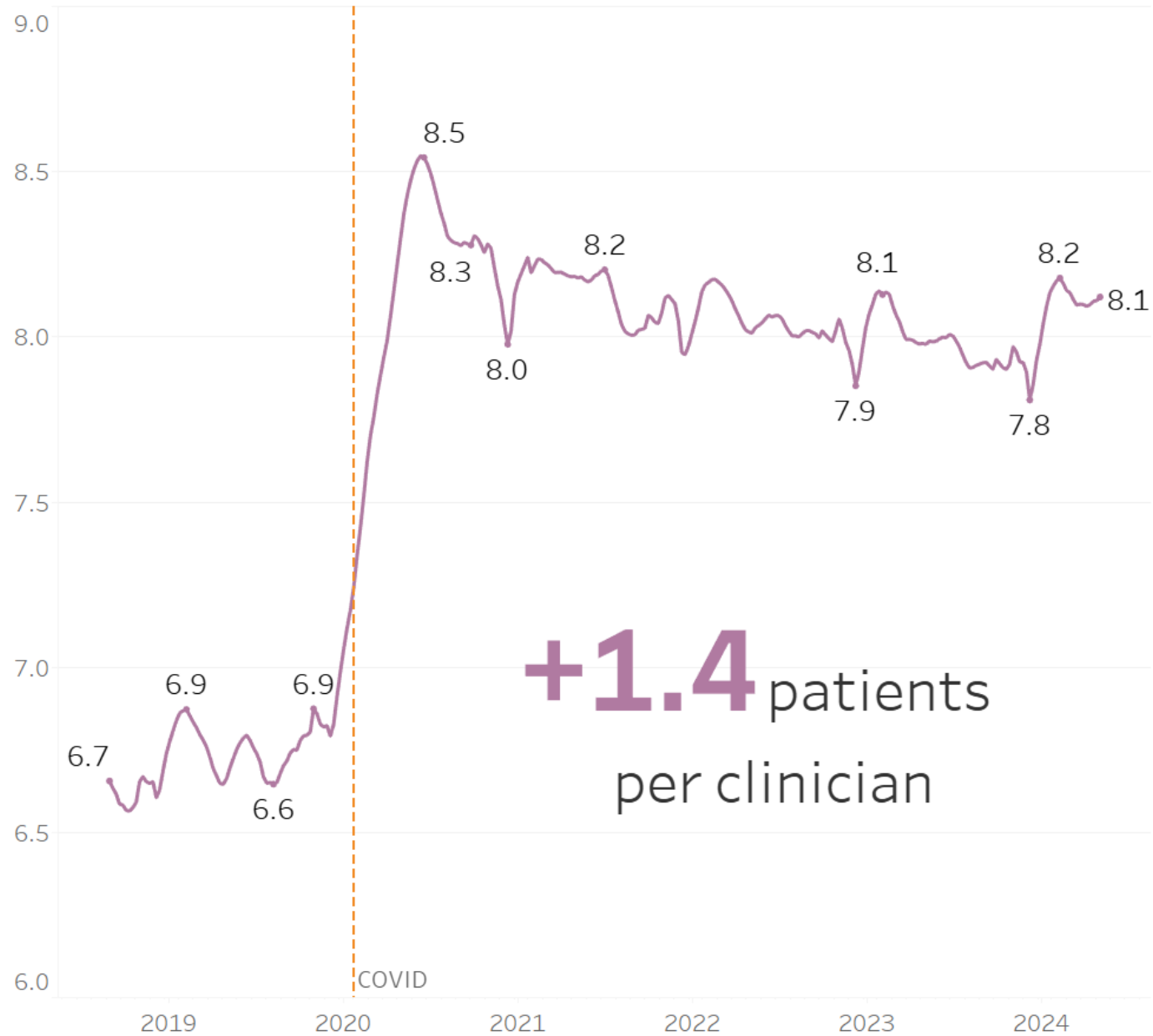
Tips for Working with Medicare Advantage Payers

- Review your analytics, can you:
 - Prove your ROI?
 - Understand the impacts payer contracts will have on your bottom line?
- Identify strategies for growth & advocacy
 - Diversification vs. specification
 - Evaluate which Medicare Advantage payers are worth it
 - Managed care partners
 - Opportunities for efficiencies

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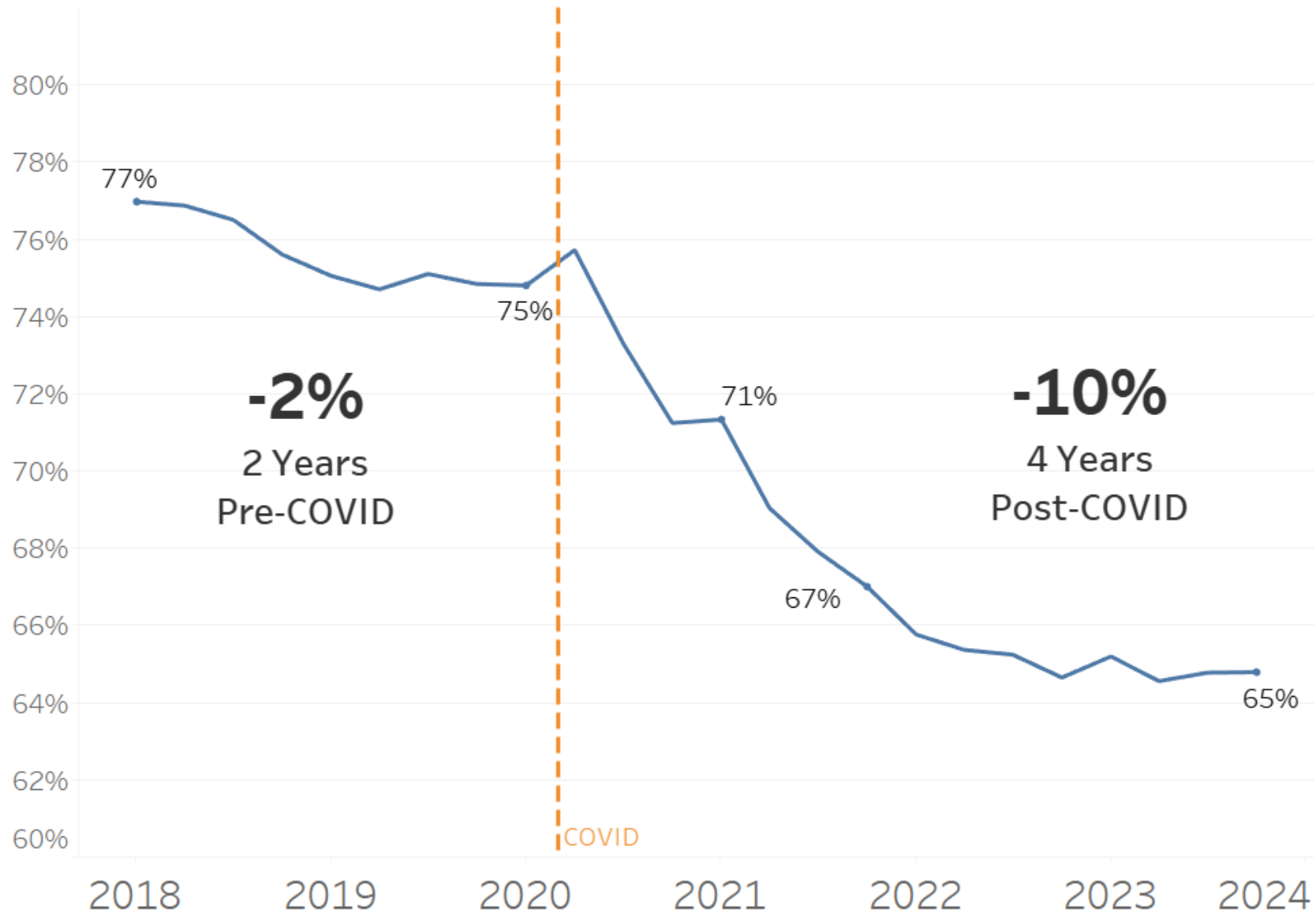
Access to Care: Effects of MA & Medicare Cuts



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Access to Care by the Numbers



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Overcoming Market Challenges: What Can We Do?

- Leverage your data
- Explore new service lines or specialties
- Find operational efficiencies
- Adopt new technology
- Advocate!

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Join the Advocacy Effort

- Write comment letters
 - [HCHB comment letter available for reference](#)
- Join industry advocacy organizations
- [Visit the PQHH Action Center](#)

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Arguments to Include in Your Comment Letter

- Reducing visits will eventually harm care quality
- Fewer patients will receive the benefit they are paying for
- Margin estimates should account for
 - Inflation
 - Reduced MA payment rates
 - Increased costs
- Inconsistent wage index changes fuel instability
- Behavior assumptions do not reflect agency actions

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Start the Conversation

- HCHB Customers: reach out to your Account Executive
- Reach out to our Sales team 1-866-535-4242 (HCHB) or [fill out the form on this webpage.](#)

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Q&A

