

ONE HUNDRED EIGHTEENTH CONGRESS

**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON ENERGY AND COMMERCE  
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November 8, 2023

Mr. Paul Masi, MPP  
Executive Director  
Medicare Payment Advisory Commission (MedPAC)  
425 I Street, NW, Suite 701  
Washington, DC 20001

Dear Mr. Masi:

Thank you for appearing before the Subcommittee on Health on Thursday, October 19, 2023, to testify at the hearing entitled “What’s the Prognosis?: Examining Medicare Proposals to Improve Patient Access to Care & Minimize Red Tape for Doctors.”

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions and requests with a transmittal letter by the close of business on Wednesday, November 22, 2023. Your responses should be mailed to Jolie Brochin, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C. 20515 and e-mailed in Word format to [Jolie.Brochin@mail.house.gov](mailto:Jolie.Brochin@mail.house.gov).

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Brett Guthrie  
Chair  
Subcommittee on Health

cc: Anna Eshoo, Ranking Member, Subcommittee on Health

### **The Honorable Earl L. “Buddy” Carter**

- 1) Mr. Masi - I saw at MedPAC’s last meeting that you all plan to examine the role of generic drugs in Medicare Part D. Don’t you think that MedPAC should wait until the IRA price controls are implemented in 2026? Otherwise, I fear that MedPAC’s recommendations will be useless for Members of this committee.
- 2) Mr. Masi – From your perspective, how has the lack of an inflationary update impacted access for Medicare beneficiaries?
- 3) Mr. Masi – Does your data show which specialties are getting the biggest cuts and if access to those specialties has decreased?
- 4) Mr. Masi – Does your data reflect how many practices cap the number of Medicare patients they want to see or have to cap ancillary staff as a result of the payments going down?
- 5) Mr. Masi - Is MedPAC planning to do any work highlighting the importance of non-physician providers in Medicare? As you know, pharmacists play a critical role in caring for and counseling patients.
- 6) Mr. Masi - Do you plan to devote a MedPAC chapter to the critical role of non-physician providers in caring for Medicare beneficiaries? This is not just pharmacists; the nurses and nurse practitioners matter too.

### **The Honorable Lori Trahan**

One thing I would like to gain a better understanding of today is MedPAC’s recommendation to reduce the Medicare base payment rate for home health services by 5% for calendar year 2024.

MedPAC has justified these payment cuts, citing that 98% of beneficiaries live in areas with home health agencies.

However, home health providers vehemently disagree with the recommended cuts, noting inflation challenges, recruitment woes, underinvestment, and lower payouts for services from Medicare Advantage plans.

Mr. Masi, I’d like to understand how MedPAC came to the conclusion to recommend a 5% base payment rate reduction for home health services in 2024, especially as our healthcare system continues to recover from the COVID-19 pandemic and grapple with workforce shortages.

The workforce shortage is particularly acute for home health agencies.

Not only do they compete for staff with higher wage positions at hospitals, but also they compete for staff with retail and food establishments.

In order to attract workers to this sector, agencies are trying to make needed investments in wages.

- 1) So when recommending home health reimbursement cuts, has MedPAC considered workforce shortages and the ability of home health agencies' to attract and retain staff?

Hospitals work closely with home care agencies to discharge patients when they’re ready. Currently, due to staffing challenges and a 10% reduction of home health agencies since 2013, home care agencies have been left with no choice but to reject larger and larger percentages of referrals.

This has resulted in patients remaining in a hospital for longer than is necessary – which has obvious negative impacts on patients and hospitals alike.

- 2) Is MedPAC concerned that these cuts to home health agencies will further limit patient access to home health care and exacerbate capacity challenges that many hospitals are experiencing?

I have been working with multiple stakeholders to develop a federal definition of safety net -- or Essential - hospital, so that this body can use the definition to support safety nets in future legislation.

- 3) How should I be thinking about developing a definition of an “essential hospital” such that it includes hospitals treating the most vulnerable patients?