

October 9, 2024

## Harris' In-Home Care, Vision, Hearing Aid Medicare Coverage Proposal – Likely an Undelivered Promise

We are skeptical of enactment for Vice President Kamala Harris' [campaign proposal](#) to add a Medicare in-home care benefit, along with vision and hearing aid coverage, even if she were to win (our base case) in a Democratic sweep (*not* our base case). While the idea is likely to be welcomed by **non-skilled home-care providers, eyeglass and hearing aid manufacturers**, and prescribers, the costs augur against success, as has been the case previously.

- Costs.** The Brookings Institution posits that adding in-home, non-skilled personal care to Medicare, which would be available to certain enrollees with sliding-scale for cost sharing, would cost a total of \$40B/10 years, but this does not seem to include the potential labor wage increases and higher training costs to find qualified staff. While there is no current estimate for the limited vision and hearing aid coverage in Medicare, the Congressional Budget Office (CBO) found that – ultimately abandoned – 2019 proposals would have cost \$119B/10 years, or \$30B and \$89B, respectively.
- Offsets.** Moreover, Harris' listed pay-fors, such as expanded government drug price negotiations and PBM reforms, will likely be needed to offset other higher cost / higher priority items like extension of the enhanced Obamacare subsidies that expire at the end of 2025 and Medicare physician payment reforms.
- Opposition.** We would also expect to see opposition from **Medicare Advantage plans** that currently offer these benefits due to the competition it would imply, as well long-term care providers [e.g., **nursing homes, skilled home health agencies**] that are already suffering from insufficient staff and would be competing for the same labor personnel.
- Process.** Finding the votes will also be difficult, as it is unclear to us whether the budget reconciliation process – allowing for Senate passage with a simple majority – could be used, given that a Medicare benefit expansion is not explicitly budgetary in nature. While Democrats had sought to include Medicare vision, hearing aid, and dental coverage in the 2019 Build Back Better plan, the effort was pulled before a parliamentary review took place, leaving the procedural path forward an open question.

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### Addus HomeCare Corporation (ADUS)

Price:	\$129.02
52-Week High:	\$136.12
52-Week Low:	\$78.35

### ModivCare Inc (MODV)

Price:	\$16.16
52-Week High:	\$52.33
52-Week Low:	\$11.00

### BrightSpring Health Services, Inc. Common Stock (BTSG)

Price:	\$15.01
52-Week High:	\$15.47
52-Week Low:	\$7.85

### Amedisys Inc (AMED)

Price:	\$96.29
52-Week High:	\$98.95
52-Week Low:	\$89.55

### Sonova H Ag (SOON)

Price:	CHF 316.90
52-Week High:	CHF 320.30
52-Week Low:	CHF 205.80

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