Issue Brief

Final Calendar Year 2023 Home Health Prospective Payment System Update Released

The Centers for Medicare and Medicaid Services (CMS) have issued a final calendar year (CY) 2023 update to the home health prospective payment system (HH PPS). The 232-page rule is currently on display at the *Federal Register.* A copy is available at: https://public-inspection.federalregister.gov/2022-23722.pdf. Publication is scheduled for November 4.

The rule: (1) updates the payment rates for HHAs for CY 2023; (2) recalibrates the Patient Driven Groupings Model (PDGM) case-mix weights for 30-day periods of care; (3) finalizes a methodology to determine the impact of differences between assumed behavior changes and actual behavior changes on estimated aggregate Medicare home health expenditures; (4) finalizes a permanent payment adjustment to the CY 2023 30-day period payment rate; updates the low utilization payment adjustment LUPA thresholds, functional impairment levels, and comorbidity subgroups; and (5) updates the CY 2023 fixed-dollar loss ratio (FDL) for outlier payments (so that outlier payments as a percentage of estimated total payments are not to exceed 2.5 percent.)

The final rule also discusses the comments received on the collection of data on the use of telecommunications technology from home health claims.

The rule finalizes the end of the suspension of the collection of Outcome and Assessment Information Set (OASIS) data from non-Medicare/non-Medicaid patients pursuant to section 704 of the *Medicare Prescription Drug, Improvement, and Modernization Act of 2003* and requires HHAs to report all-payer OASIS data for purposes of the HH QRP. In response to concerns raised by commenters on the burden associated with the proposed new data collection, CMS is finalizing that the new OASIS data reporting for the HH QRP will begin with the CY 2027 program year, with two quarters of data required for that program year. CMS is finalizing a phase-in period for January 1, 2025 through June 30, 2025 in which failure to submit the data will not result in a penalty.

The rule updates the home infusion therapy services payment rates for CY 2023 under section 1834(u) of the Act.

For the HH Value-Based Purchasing Model (HHVBP) CMS is finalizing proposed policy updates, new definitions and modifications of existing definitions, conforming regulation text changes for the expanded Home Health Value-Based Purchasing (HHVBP) expanded Model.

HH Payment Increases

CMS estimates that the provisions in this final rule will result in an estimated net increase in home health payments of 0.7 percent for CY 2023 ($125 million). The $125 million reflects the effects of the CY 2023 home health payment update percentage of 4.0 percent ($725 million increase), a 0.2 percent increase in payments due to the new lower outlier FDL ratio, which will increase outlier payments in order to target to pay no more than 2.5 percent of total payments ($35 million increase) and an estimated 3.5 percent decrease in payments that reflects the effects of the permanent behavior adjustment ($635 million decrease). (Page 227)

SUMMARY OF COSTS, TRANSFERS, AND BENEFITS (PAGE 7)

Provision Description	Costs and Cost Savings	Transfers	Benefits
CY 2023 HH PPS Payment Rate Update		The overall economic impact related to the changes in payments under the HH PPS for CY 2023 is estimated to be $125 million (0.7 percent). The $125 million increase in estimated payments for CY 2023 reflects the effects of the CY 2023 home health payment update percentage of 4.0 percent ($725 million increase), an estimated 3.5 percent decrease that reflects the effects of the permanent behavioral adjustment (-$635 million) and an estimated 0.2 percent increase that reflects the effects of an updated FDL ($35 million increase).	To ensure that home health payments are consistent with statutory payment authority for CY 2023.
HH QRP	The total costs beginning in CY 2025 is an estimated $267,157,680 based upon the collection of OASIS data on all patients, regardless of payer.		
Expanded HHVBP Model		The overall economic impact of the expanded HHVBP Model for CYs 2023 through 2027 is an estimated $3.376 billion in total savings to FFS Medicare from a reduction in unnecessary hospitalizations and SNF usage as a result of greater quality improvements in the HH industry. As for payments to HHAs, there are no aggregate increases or decreases expected to be applied to the HHAs competing in the expanded Model.	
Medicare Coverage of Home Infusion Therapy		The overall economic impact of the statutorily-required HIT payment rate updates is an estimated increase in payments to HIT suppliers of 8.7 percent ($600,000) for CY 2023 based on the CPI–U for the 12-month period ending in June of 2022 of 9.1 percent and the corresponding productivity adjustment is 0.4 percent.	To ensure that payment for home infusion therapy services are consistent with statutory authority for CY 2023.

continued

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PDGM Behavioral Assumptions and Adjustments under the HH PPS (Page 17)

CMS is finalizing its methodology to determine the impact of differences of assumed and actual behavior changes on aggregate expenditures, as well as a permanent prospective payment adjustment to the home health 30-day period payment rate to account for any increases or decreases in aggregate expenditures.

The CY 2023 rule calculates what the Medicare program would have spent had the PDGM not been implemented in CYs 2020 and 2021, assuming that HHAs would have provided home health services in the same way they do under the PDGM, compared to what actual home health expenditures were under the PDGM in CY 2020 and CY 2021.

This methodology and adjustment are due to the implementation of the Patient-Driven Groupings Model (PDGM) and 30-day unit of payment as required by the ***Bipartisan Budget Act of 2018***. CMS is phasing-in the permanent adjustment by finalizing a **-3.925%** permanent adjustment for CY 2023. The -3.925% permanent adjustment is half of the full permanent adjustment of -7.85% (-7.69% in the proposed rule).

COMMENT

CMS spends considerable time explaining its above calculations. Some 40 pages. Bottom line it is a significant payment change.

Reassignment of Specific ICD–10–CM Codes Under the PDGM
(Page 57 through Page 75)

CMS is making a number of specific ICD-10-CM codes. Please refer to the rule for the changes.

CY 2023 PDGM LUPA Thresholds and PDGM Case-Mix Weights (Page 75)

Under the HH PPS, LUPAs are paid when a certain visit threshold for a payment group during a 30-day period of care is not met.

CY 2023 Functional Impairment Levels
(Page 78)

Under the PDGM, the functional impairment level is determined by responses to certain OASIS items associated with activities of daily living and risk of hospitalization; that is, responses to OASIS items M1800-M1860 and M1033.

The updated OASIS functional points table and the table of functional impairment levels by clinical group for CY 2023 are listed in Tables 11 and 12, respectively.

CY 2023 Comorbidity Subgroups
(Page 84)

Home health 30-day periods of care can receive a comorbidity adjustment under the following circumstances:
Low comorbidity adjustment: There is a reported secondary diagnosis on the home health-specific comorbidity subgroup list that is associated with higher resource use.

High comorbidity adjustment: There are two or more secondary diagnoses on the home health-specific comorbidity subgroup interaction list that are associated with higher resource use when both are reported together compared to when they are reported separately. That is, the two diagnoses may interact with one another, resulting in higher resource use.

No comorbidity adjustment: A 30-day period of care receives no comorbidity adjustment if no secondary diagnoses exist or do not meet the criteria for a low or high comorbidity adjustment.

The final update to the comorbidity adjustment subgroups includes 22 low comorbidity adjustment subgroups as identified in Table 13 and 91 high comorbidity adjustment interaction subgroups as identified in Table 14.

CY 2023 PDGM Case-Mix Weights (Page 97)

Final Case-Mix Weights and LUPA Thresholds for Each of the 432 HHRG Payment Groups

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity 2 = interaction)	Recalibrated Weight for 2023	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
1FC11	Behavioral Health - High	Early - Community	0	1.1009	4
1FC21	Behavioral Health - High	Early - Community	1	1.1591	4
1FC31	Behavioral Health - High	Early - Community	2	1.3019	4
2FC11	Behavioral Health - High	Early - Institutional	0	1.3208	4
2FC21	Behavioral Health - High	Early - Institutional	1	1.3790	4
2FC31	Behavioral Health - High	Early - Institutional	2	1.5218	4
3FC11	Behavioral Health - High	Late - Community	0	0.7342	2
3FC21	Behavioral Health - High	Late - Community	1	0.7924	2
3FC31	Behavioral Health - High	Late - Community	2	0.9352	2
4FC11	Behavioral Health - High	Late - Institutional	0	1.2357	3
4FC21	Behavioral Health - High	Late - Institutional	1	1.2940	3
4FC31	Behavioral Health - High	Late - Institutional	2	1.4368	3
1FA11	Behavioral Health - Low	Early - Community	0	0.8691	3
1FA21	Behavioral Health - Low	Early - Community	1	0.9273	3
1FA31	Behavioral Health - Low	Early - Community	2	1.0701	3
2FA11	Behavioral Health - Low	Early - Institutional	0	1.0890	3
2FA21	Behavioral Health - Low	Early - Institutional	1	1.1472	3
2FA31	Behavioral Health - Low	Early - Institutional	2	1.2900	3
3FA11	Behavioral Health - Low	Late - Community	0	0.5023	2
3FA21	Behavioral Health - Low	Late - Community	1	0.5606	2
3FA31	Behavioral Health - Low	Late - Community	2	0.7034	2
4FA11	Behavioral Health - Low	Late - Institutional	0	1.0039	2
4FA21	Behavioral Health - Low	Late - Institutional	1	1.0622	3
4FA31	Behavioral Health - Low	Late - Institutional	2	1.2050	3
1FB11	Behavioral Health - Medium	Early - Community	0	1.0042	4
1FB21	Behavioral Health - Medium	Early - Community	1	1.0624	4
1FB31	Behavioral Health - Medium	Early - Community	2	1.2052	4
2FB11	Behavioral Health - Medium	Early - Institutional	0	1.2241	3
2FB21	Behavioral Health - Medium	Early - Institutional	1	1.2823	4
2FB31	Behavioral Health - Medium	Early - Institutional	2	1.4251	4
3FB11	Behavioral Health - Medium	Late - Community	0	0.6375	2
3FB21	Behavioral Health - Medium	Late - Community	1	0.6957	2
3FB31	Behavioral Health - Medium	Late - Community	2	0.8385	2
4FB11	Behavioral Health - Medium	Late - Institutional	0	1.1390	3
4FB21	Behavioral Health - Medium	Late - Institutional	1	1.1973	3
4FB31	Behavioral Health - Medium	Late - Institutional	2	1.3401	3
1DC11	Complex - High	Early - Community	0	0.9991	2
1DC21	Complex - High	Early - Community	1	1.0573	2
1DC31	Complex - High	Early - Community	2	1.2001	2

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity 2 = interaction)	Recalibrated Weight for 2023	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
2DC11	Complex - High	Early - Institutional	0	1.2190	3
2DC21	Complex - High	Early - Institutional	1	1.2772	3
2DC31	Complex - High	Early - Institutional	2	1.4200	4
3DC11	Complex - High	Late - Community	0	0.6324	2
3DC21	Complex - High	Late - Community	1	0.6906	2
3DC31	Complex - High	Late - Community	2	0.8334	2
4DC11	Complex - High	Late - Institutional	0	1.1340	3
4DC21	Complex - High	Late - Institutional	1	1.1922	3
4DC31	Complex - High	Late - Institutional	2	1.3350	3
1DA11	Complex - Low	Early - Community	0	0.8765	2
1DA21	Complex - Low	Early - Community	1	0.9347	2
1DA31	Complex - Low	Early - Community	2	1.0775	2
2DA11	Complex - Low	Early - Institutional	0	1.0964	3
2DA21	Complex - Low	Early - Institutional	1	1.1546	3
2DA31	Complex - Low	Early - Institutional	2	1.2974	3
3DA11	Complex - Low	Late - Community	0	0.5098	2
3DA21	Complex - Low	Late - Community	1	0.5680	2
3DA31	Complex - Low	Late - Community	2	0.7108	2
4DA11	Complex - Low	Late - Institutional	0	1.0113	2
4DA21	Complex - Low	Late - Institutional	1	1.0696	2
4DA31	Complex - Low	Late - Institutional	2	1.2124	3
1DB11	Complex - Medium	Early - Community	0	1.0219	2
1DB21	Complex - Medium	Early - Community	1	1.0801	2
1DB31	Complex - Medium	Early - Community	2	1.2229	2
2DB11	Complex - Medium	Early - Institutional	0	1.2418	4
2DB21	Complex - Medium	Early - Institutional	1	1.3000	4
2DB31	Complex - Medium	Early - Institutional	2	1.4428	4
3DB11	Complex - Medium	Late - Community	0	0.6552	2
3DB21	Complex - Medium	Late - Community	1	0.7134	2
3DB31	Complex - Medium	Late - Community	2	0.8562	2
4DB11	Complex - Medium	Late - Institutional	0	1.1568	3
4DB21	Complex - Medium	Late - Institutional	1	1.2150	3
4DB31	Complex - Medium	Late - Institutional	2	1.3578	3
1HC11	MMTA - Cardiac - High	Early - Community	0	1.1357	4
1HC21	MMTA - Cardiac - High	Early - Community	1	1.1939	3
1HC31	MMTA - Cardiac - High	Early - Community	2	1.3367	3
2HC11	MMTA - Cardiac - High	Early - Institutional	0	1.3556	4
2HC21	MMTA - Cardiac - High	Early - Institutional	1	1.4138	4
2HC31	MMTA - Cardiac - High	Early - Institutional	2	1.5566	4
3HC11	MMTA - Cardiac - High	Late - Community	0	0.7689	2

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HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity 2 = interaction)	Recalibrated Weight for 2023	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3HC21	MMTA - Cardiac - High	Late - Community	1	0.8272	2
3HC31	MMTA - Cardiac - High	Late - Community	2	0.9700	3
4HC11	MMTA - Cardiac - High	Late - Institutional	0	1.2705	4
4HC21	MMTA - Cardiac - High	Late - Institutional	1	1.3288	3
4HC31	MMTA - Cardiac - High	Late - Institutional	2	1.4716	4
1HA11	MMTA - Cardiac - Low	Early - Community	0	0.9025	4
1HA21	MMTA - Cardiac - Low	Early - Community	1	0.9608	3
1HA31	MMTA - Cardiac - Low	Early - Community	2	1.1036	3
2HA11	MMTA - Cardiac - Low	Early - Institutional	0	1.1224	3
2HA21	MMTA - Cardiac - Low	Early - Institutional	1	1.1807	4
2HA31	MMTA - Cardiac - Low	Early - Institutional	2	1.3235	4
3HA11	MMTA - Cardiac - Low	Late - Community	0	0.5358	2
3HA21	MMTA - Cardiac - Low	Late - Community	1	0.5941	2
3HA31	MMTA - Cardiac - Low	Late - Community	2	0.7368	2
4HA11	MMTA - Cardiac - Low	Late - Institutional	0	1.0374	3
4HA21	MMTA - Cardiac - Low	Late - Institutional	1	1.0957	3
4HA31	MMTA - Cardiac - Low	Late - Institutional	2	1.2384	3
1HB11	MMTA - Cardiac - Medium	Early - Community	0	1.0198	4
1HB21	MMTA - Cardiac - Medium	Early - Community	1	1.0781	4
1HB31	MMTA - Cardiac - Medium	Early - Community	2	1.2209	4
2HB11	MMTA - Cardiac - Medium	Early - Institutional	0	1.2397	4
2HB21	MMTA - Cardiac - Medium	Early - Institutional	1	1.2980	4
2HB31	MMTA - Cardiac - Medium	Early - Institutional	2	1.4408	4
3HB11	MMTA - Cardiac - Medium	Late - Community	0	0.6531	2
3HB21	MMTA - Cardiac - Medium	Late - Community	1	0.7114	2
3HB31	MMTA - Cardiac - Medium	Late - Community	2	0.8541	2
4HB11	MMTA - Cardiac - Medium	Late - Institutional	0	1.1547	4
4HB21	MMTA - Cardiac - Medium	Late - Institutional	1	1.2130	3
4HB31	MMTA - Cardiac - Medium	Late - Institutional	2	1.3557	4
1IC11	MMTA - Endocrine - High	Early - Community	0	1.3363	4
1IC21	MMTA - Endocrine - High	Early - Community	1	1.3945	4
1IC31	MMTA - Endocrine - High	Early - Community	2	1.5373	4
2IC11	MMTA - Endocrine - High	Early - Institutional	0	1.5562	4
2IC21	MMTA - Endocrine - High	Early - Institutional	1	1.6144	4
2IC31	MMTA - Endocrine - High	Early - Institutional	2	1.7572	4
3IC11	MMTA - Endocrine - High	Late - Community	0	0.9696	3
3IC21	MMTA - Endocrine - High	Late - Community	1	1.0278	3
3IC31	MMTA - Endocrine - High	Late - Community	2	1.1706	3
4IC11	MMTA - Endocrine - High	Late - Institutional	0	1.4712	4
4IC21	MMTA - Endocrine - High	Late - Institutional	1	1.5294	4
4IC31	MMTA - Endocrine - High	Late - Institutional	2	1.6722	4

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity 2 = interaction)	Recalibrated Weight for 2023	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
1IA11	MMTA - Endocrine - Low	Early - Community	0	1.1616	4
1IA21	MMTA - Endocrine - Low	Early - Community	1	1.2198	4
1IA31	MMTA - Endocrine - Low	Early - Community	2	1.3626	3
2IA11	MMTA - Endocrine - Low	Early - Institutional	0	1.3815	3
2IA21	MMTA - Endocrine - Low	Early - Institutional	1	1.4397	3
2IA31	MMTA - Endocrine - Low	Early - Institutional	2	1.5825	4
3IA11	MMTA - Endocrine - Low	Late - Community	0	0.7949	3
3IA21	MMTA - Endocrine - Low	Late - Community	1	0.8531	2
3IA31	MMTA - Endocrine - Low	Late - Community	2	0.9959	3
4IA11	MMTA - Endocrine - Low	Late - Institutional	0	1.2965	3
4IA21	MMTA - Endocrine - Low	Late - Institutional	1	1.3547	3
4IA31	MMTA - Endocrine - Low	Late - Institutional	2	1.4975	3
1IB11	MMTA - Endocrine - Medium	Early - Community	0	1.2302	4
1IB21	MMTA - Endocrine - Medium	Early - Community	1	1.2884	4
1IB31	MMTA - Endocrine - Medium	Early - Community	2	1.4312	4
2IB11	MMTA - Endocrine - Medium	Early - Institutional	0	1.4501	4
2IB21	MMTA - Endocrine - Medium	Early - Institutional	1	1.5083	4
2IB31	MMTA - Endocrine - Medium	Early - Institutional	2	1.6511	4
3IB11	MMTA - Endocrine - Medium	Late - Community	0	0.8635	3
3IB21	MMTA - Endocrine - Medium	Late - Community	1	0.9217	3
3IB31	MMTA - Endocrine - Medium	Late - Community	2	1.0645	3
4IB11	MMTA - Endocrine - Medium	Late - Institutional	0	1.3651	4
4IB21	MMTA - Endocrine - Medium	Late - Institutional	1	1.4233	3
4IB31	MMTA - Endocrine - Medium	Late - Institutional	2	1.5661	4
1JC11	MMTA - GI/GU - High	Early - Community	0	1.1114	3
1JC21	MMTA - GI/GU - High	Early - Community	1	1.1697	2
1JC31	MMTA - GI/GU - High	Early - Community	2	1.3124	2
2JC11	MMTA - GI/GU - High	Early - Institutional	0	1.3313	4
2JC21	MMTA - GI/GU - High	Early - Institutional	1	1.3896	3
2JC31	MMTA - GI/GU - High	Early - Institutional	2	1.5323	3
3JC11	MMTA - GI/GU - High	Late - Community	0	0.7447	2
3JC21	MMTA - GI/GU - High	Late - Community	1	0.8029	2
3JC31	MMTA - GI/GU - High	Late - Community	2	0.9457	2
4JC11	MMTA - GI/GU - High	Late - Institutional	0	1.2463	3
4JC21	MMTA - GI/GU - High	Late - Institutional	1	1.3045	3
4JC31	MMTA - GI/GU - High	Late - Institutional	2	1.4473	3
1JA11	MMTA - GI/GU - Low	Early - Community	0	0.8857	3
1JA21	MMTA - GI/GU - Low	Early - Community	1	0.9439	2
1JA31	MMTA - GI/GU - Low	Early - Community	2	1.0867	2
2JA11	MMTA - GI/GU - Low	Early - Institutional	0	1.1056	3
2JA21	MMTA - GI/GU - Low	Early - Institutional	1	1.1638	3

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity 2 = interaction)	Recalibrated Weight for 2023	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
2JA31	MMTA - GI/GU - Low	Early - Institutional	2	1.3066	4
3JA11	MMTA - GI/GU - Low	Late - Community	0	0.5190	2
3JA21	MMTA - GI/GU - Low	Late - Community	1	0.5772	2
3JA31	MMTA - GI/GU - Low	Late - Community	2	0.7200	2
4JA11	MMTA - GI/GU - Low	Late - Institutional	0	1.0206	3
4JA21	MMTA - GI/GU - Low	Late - Institutional	1	1.0788	3
4JA31	MMTA - GI/GU - Low	Late - Institutional	2	1.2216	3
1JB11	MMTA - GI/GU - Medium	Early - Community	0	1.0253	3
1JB21	MMTA - GI/GU - Medium	Early - Community	1	1.0835	3
1JB31	MMTA - GI/GU - Medium	Early - Community	2	1.2263	3
2JB11	MMTA - GI/GU - Medium	Early - Institutional	0	1.2452	4
2JB21	MMTA - GI/GU - Medium	Early - Institutional	1	1.3034	4
2JB31	MMTA - GI/GU - Medium	Early - Institutional	2	1.4462	4
3JB11	MMTA - GI/GU - Medium	Late - Community	0	0.6585	2
3JB21	MMTA - GI/GU - Medium	Late - Community	1	0.7168	2
3JB31	MMTA - GI/GU - Medium	Late - Community	2	0.8596	2
4JB11	MMTA - GI/GU - Medium	Late - Institutional	0	1.1601	3
4JB21	MMTA - GI/GU - Medium	Late - Institutional	1	1.2184	3
4JB31	MMTA - GI/GU - Medium	Late - Institutional	2	1.3612	4
1KC11	MMTA - Infectious - High	Early - Community	0	1.1453	2
1KC21	MMTA - Infectious - High	Early - Community	1	1.2035	2
1KC31	MMTA - Infectious - High	Early - Community	2	1.3463	2
2KC11	MMTA - Infectious - High	Early - Institutional	0	1.3652	3
2KC21	MMTA - Infectious - High	Early - Institutional	1	1.4234	3
2KC31	MMTA - Infectious - High	Early - Institutional	2	1.5662	3
3KC11	MMTA - Infectious - High	Late - Community	0	0.7786	2
3KC21	MMTA - Infectious - High	Late - Community	1	0.8368	2
3KC31	MMTA - Infectious - High	Late - Community	2	0.9796	2
4KC11	MMTA - Infectious - High	Late - Institutional	0	1.2802	3
4KC21	MMTA - Infectious - High	Late - Institutional	1	1.3384	3
4KC31	MMTA - Infectious - High	Late - Institutional	2	1.4812	3
1KA11	MMTA - Infectious - Low	Early - Community	0	0.9232	2
1KA21	MMTA - Infectious - Low	Early - Community	1	0.9815	2
1KA31	MMTA - Infectious - Low	Early - Community	2	1.1242	2
2KA11	MMTA - Infectious - Low	Early - Institutional	0	1.1431	3
2KA21	MMTA - Infectious - Low	Early - Institutional	1	1.2013	3
2KA31	MMTA - Infectious - Low	Early - Institutional	2	1.3441	3
3KA11	MMTA - Infectious - Low	Late - Community	0	0.5565	2
3KA21	MMTA - Infectious - Low	Late - Community	1	0.6147	2
3KA31	MMTA - Infectious - Low	Late - Community	2	0.7575	2
4KA11	MMTA - Infectious - Low	Late - Institutional	0	1.0581	3

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity 2 = interaction)	Recalibrated Weight for 2023	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
4KA21	MMTA - Infectious - Low	Late - Institutional	1	1.1163	3
4KA31	MMTA - Infectious - Low	Late - Institutional	2	1.2591	3
1KB11	MMTA - Infectious - Medium	Early - Community	0	1.0195	2
1KB21	MMTA - Infectious - Medium	Early - Community	1	1.0777	2
1KB31	MMTA - Infectious - Medium	Early - Community	2	1.2205	2
2KB11	MMTA - Infectious - Medium	Early - Institutional	0	1.2394	3
2KB21	MMTA - Infectious - Medium	Early - Institutional	1	1.2976	3
2KB31	MMTA - Infectious - Medium	Early - Institutional	2	1.4404	4
3KB11	MMTA - Infectious - Medium	Late - Community	0	0.6527	2
3KB21	MMTA - Infectious - Medium	Late - Community	1	0.7110	2
3KB31	MMTA - Infectious - Medium	Late - Community	2	0.8538	2
4KB11	MMTA - Infectious - Medium	Late - Institutional	0	1.1543	3
4KB21	MMTA - Infectious - Medium	Late - Institutional	1	1.2126	3
4KB31	MMTA - Infectious - Medium	Late - Institutional	2	1.3554	3
1AC11	MMTA - Other - High	Early - Community	0	1.1485	4
1AC21	MMTA - Other - High	Early - Community	1	1.2067	4
1AC31	MMTA - Other - High	Early - Community	2	1.3495	3
2AC11	MMTA - Other - High	Early - Institutional	0	1.3684	4
2AC21	MMTA - Other - High	Early - Institutional	1	1.4266	4
2AC31	MMTA - Other - High	Early - Institutional	2	1.5694	4
3AC11	MMTA - Other - High	Late - Community	0	0.7818	2
3AC21	MMTA - Other - High	Late - Community	1	0.8400	2
3AC31	MMTA - Other - High	Late - Community	2	0.9828	2
4AC11	MMTA - Other - High	Late - Institutional	0	1.2834	3
4AC21	MMTA - Other - High	Late - Institutional	1	1.3416	3
4AC31	MMTA - Other - High	Late - Institutional	2	1.4844	4
1AA11	MMTA - Other - Low	Early - Community	0	0.9364	3
1AA21	MMTA - Other - Low	Early - Community	1	0.9947	3
1AA31	MMTA - Other - Low	Early - Community	2	1.1375	3
2AA11	MMTA - Other - Low	Early - Institutional	0	1.1563	3
2AA21	MMTA - Other - Low	Early - Institutional	1	1.2146	3
2AA31	MMTA - Other - Low	Early - Institutional	2	1.3574	4
3AA11	MMTA - Other - Low	Late - Community	0	0.5697	2
3AA21	MMTA - Other - Low	Late - Community	1	0.6280	2
3AA31	MMTA - Other - Low	Late - Community	2	0.7707	2
4AA11	MMTA - Other - Low	Late - Institutional	0	1.0713	3
4AA21	MMTA - Other - Low	Late - Institutional	1	1.1296	3
4AA31	MMTA - Other - Low	Late - Institutional	2	1.2723	3
1AB11	MMTA - Other - Medium	Early - Community	0	1.0374	4
1AB21	MMTA - Other - Medium	Early - Community	1	1.0956	4
1AB31	MMTA - Other - Medium	Early - Community	2	1.2384	3

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity 2 = interaction)	Recalibrated Weight for 2023	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
2AB11	MMTA - Other - Medium	Early - Institutional	0	1.2573	4
2AB21	MMTA - Other - Medium	Early - Institutional	1	1.3155	4
2AB31	MMTA - Other - Medium	Early - Institutional	2	1.4583	4
3AB11	MMTA - Other - Medium	Late - Community	0	0.6707	2
3AB21	MMTA - Other - Medium	Late - Community	1	0.7289	2
3AB31	MMTA - Other - Medium	Late - Community	2	0.8717	2
4AB11	MMTA - Other - Medium	Late - Institutional	0	1.1723	3
4AB21	MMTA - Other - Medium	Late - Institutional	1	1.2305	3
4AB31	MMTA - Other - Medium	Late - Institutional	2	1.3733	4
1LC11	MMTA - Respiratory - High	Early - Community	0	1.1489	3
1LC21	MMTA - Respiratory - High	Early - Community	1	1.2071	3
1LC31	MMTA - Respiratory - High	Early - Community	2	1.3499	2
2LC11	MMTA - Respiratory - High	Early - Institutional	0	1.3688	4
2LC21	MMTA - Respiratory - High	Early - Institutional	1	1.4270	4
2LC31	MMTA - Respiratory - High	Early - Institutional	2	1.5698	4
3LC11	MMTA - Respiratory - High	Late - Community	0	0.7822	2
3LC21	MMTA - Respiratory - High	Late - Community	1	0.8404	2
3LC31	MMTA - Respiratory - High	Late - Community	2	0.9832	2
4LC11	MMTA - Respiratory - High	Late - Institutional	0	1.2838	3
4LC21	MMTA - Respiratory - High	Late - Institutional	1	1.3420	3
4LC31	MMTA - Respiratory - High	Late - Institutional	2	1.4848	3
1LA11	MMTA - Respiratory - Low	Early - Community	0	0.9137	2
1LA21	MMTA - Respiratory - Low	Early - Community	1	0.9720	2
1LA31	MMTA - Respiratory - Low	Early - Community	2	1.1147	3
2LA11	MMTA - Respiratory - Low	Early - Institutional	0	1.1336	3
2LA21	MMTA - Respiratory - Low	Early - Institutional	1	1.1919	4
2LA31	MMTA - Respiratory - Low	Early - Institutional	2	1.3346	4
3LA11	MMTA - Respiratory - Low	Late - Community	0	0.5470	2
3LA21	MMTA - Respiratory - Low	Late - Community	1	0.6052	2
3LA31	MMTA - Respiratory - Low	Late - Community	2	0.7480	2
4LA11	MMTA - Respiratory - Low	Late - Institutional	0	1.0486	3
4LA21	MMTA - Respiratory - Low	Late - Institutional	1	1.1068	3
4LA31	MMTA - Respiratory - Low	Late - Institutional	2	1.2496	3
1LB11	MMTA - Respiratory - Medium	Early - Community	0	1.0315	3
1LB21	MMTA - Respiratory - Medium	Early - Community	1	1.0898	3
1LB31	MMTA - Respiratory - Medium	Early - Community	2	1.2326	3
2LB11	MMTA - Respiratory - Medium	Early - Institutional	0	1.2514	4
2LB21	MMTA - Respiratory - Medium	Early - Institutional	1	1.3097	4
2LB31	MMTA - Respiratory - Medium	Early - Institutional	2	1.4524	4
3LB11	MMTA - Respiratory - Medium	Late - Community	0	0.6648	2
3LB21	MMTA - Respiratory - Medium	Late - Community	1	0.7231	2

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HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity 2 = interaction)	Recalibrated Weight for 2023	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3LB31	MMTA - Respiratory - Medium	Late - Community	2	0.8658	2
4LB11	MMTA - Respiratory - Medium	Late - Institutional	0	1.1664	3
4LB21	MMTA - Respiratory - Medium	Late - Institutional	1	1.2247	3
4LB31	MMTA - Respiratory - Medium	Late - Institutional	2	1.3674	4
1GC11	MMTA - Surgical Aftercare - High	Early - Community	0	1.1740	3
1GC21	MMTA - Surgical Aftercare - High	Early - Community	1	1.2322	2
1GC31	MMTA - Surgical Aftercare - High	Early - Community	2	1.3750	2
2GC11	MMTA - Surgical Aftercare - High	Early - Institutional	0	1.3938	4
2GC21	MMTA - Surgical Aftercare - High	Early - Institutional	1	1.4521	4
2GC31	MMTA - Surgical Aftercare - High	Early - Institutional	2	1.5949	4
3GC11	MMTA - Surgical Aftercare - High	Late - Community	0	0.8072	2
3GC21	MMTA - Surgical Aftercare - High	Late - Community	1	0.8655	2
3GC31	MMTA - Surgical Aftercare - High	Late - Community	2	1.0082	2
4GC11	MMTA - Surgical Aftercare - High	Late - Institutional	0	1.3088	3
4GC21	MMTA - Surgical Aftercare - High	Late - Institutional	1	1.3671	4
4GC31	MMTA - Surgical Aftercare - High	Late - Institutional	2	1.5098	4
1GA11	MMTA - Surgical Aftercare - Low	Early - Community	0	0.9067	2
1GA21	MMTA - Surgical Aftercare - Low	Early - Community	1	0.9649	2
1GA31	MMTA - Surgical Aftercare - Low	Early - Community	2	1.1077	2
2GA11	MMTA - Surgical Aftercare - Low	Early - Institutional	0	1.1266	3
2GA21	MMTA - Surgical Aftercare - Low	Early - Institutional	1	1.1848	3
2GA31	MMTA - Surgical Aftercare - Low	Early - Institutional	2	1.3276	4
3GA11	MMTA - Surgical Aftercare - Low	Late - Community	0	0.5399	2
3GA21	MMTA - Surgical Aftercare - Low	Late - Community	1	0.5982	2
3GA31	MMTA - Surgical Aftercare - Low	Late - Community	2	0.7410	2
4GA11	MMTA - Surgical Aftercare - Low	Late - Institutional	0	1.0415	3
4GA21	MMTA - Surgical Aftercare - Low	Late - Institutional	1	1.0998	3
4GA31	MMTA - Surgical Aftercare - Low	Late - Institutional	2	1.2426	4
1GB11	MMTA - Surgical Aftercare - Medium	Early - Community	0	1.0347	2
1GB21	MMTA - Surgical Aftercare - Medium	Early - Community	1	1.0929	2
1GB31	MMTA - Surgical Aftercare - Medium	Early - Community	2	1.2357	2
2GB11	MMTA - Surgical Aftercare - Medium	Early - Institutional	0	1.2546	4
2GB21	MMTA - Surgical Aftercare - Medium	Early - Institutional	1	1.3128	4
2GB31	MMTA - Surgical Aftercare -Medium	Early - Institutional	2	1.4556	5
3GB11	MMTA - Surgical Aftercare -Medium	Late - Community	0	0.6680	2

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity 2 = interaction)	Recalibrated Weight for 2023	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3GB21	MMTA - Surgical Aftercare - Medium	Late - Community	1	0.7262	2
3GB31	MMTA - Surgical Aftercare - Medium	Late - Community	2	0.8690	2
4GB11	MMTA - Surgical Aftercare - Medium	Late - Institutional	0	1.1696	3
4GB21	MMTA - Surgical Aftercare - Medium	Late - Institutional	1	1.2278	3
4GB31	MMTA - Surgical Aftercare - Medium	Late - Institutional	2	1.3706	4
1EC11	MS Rehab - High	Early - Community	0	1.2271	4
1EC21	MS Rehab - High	Early - Community	1	1.2854	4
1EC31	MS Rehab - High	Early - Community	2	1.4281	4
2EC11	MS Rehab - High	Early - Institutional	0	1.4470	5
2EC21	MS Rehab - High	Early - Institutional	1	1.5053	5
2EC31	MS Rehab - High	Early - Institutional	2	1.6480	5
3EC11	MS Rehab - High	Late - Community	0	0.8604	2
3EC21	MS Rehab - High	Late - Community	1	0.9186	2
3EC31	MS Rehab - High	Late - Community	2	1.0614	3
4EC11	MS Rehab - High	Late - Institutional	0	1.3620	4
4EC21	MS Rehab - High	Late - Institutional	1	1.4202	4
4EC31	MS Rehab - High	Late - Institutional	2	1.5630	5
1EA11	MS Rehab - Low	Early - Community	0	1.0084	4
1EA21	MS Rehab - Low	Early - Community	1	1.0666	4
1EA31	MS Rehab - Low	Early - Community	2	1.2094	4
2EA11	MS Rehab - Low	Early - Institutional	0	1.2283	5
2EA21	MS Rehab - Low	Early - Institutional	1	1.2865	5
2EA31	MS Rehab - Low	Early - Institutional	2	1.4293	5
3EA11	MS Rehab - Low	Late - Community	0	0.6416	2
3EA21	MS Rehab - Low	Late - Community	1	0.6999	2
3EA31	MS Rehab - Low	Late - Community	2	0.8427	2
4EA11	MS Rehab - Low	Late - Institutional	0	1.1432	4
4EA21	MS Rehab - Low	Late - Institutional	1	1.2015	4
4EA31	MS Rehab - Low	Late - Institutional	2	1.3443	4
1EB11	MS Rehab - Medium	Early - Community	0	1.0936	5
1EB21	MS Rehab - Medium	Early - Community	1	1.1519	4
1EB31	MS Rehab - Medium	Early - Community	2	1.2946	4
2EB11	MS Rehab - Medium	Early - Institutional	0	1.3135	5
2EB21	MS Rehab - Medium	Early - Institutional	1	1.3718	5
2EB31	MS Rehab - Medium	Early - Institutional	2	1.5145	5
3EB11	MS Rehab - Medium	Late - Community	0	0.7269	2

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity 2 = interaction)	Recalibrated Weight for 2023	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3EB21	MS Rehab - Medium	Late - Community	1	0.7851	2
3EB31	MS Rehab - Medium	Late - Community	2	0.9279	2
4EB11	MS Rehab - Medium	Late - Institutional	0	1.2285	4
4EB21	MS Rehab - Medium	Late - Institutional	1	1.2867	4
4EB31	MS Rehab - Medium	Late - Institutional	2	1.4295	4
1BC11	Neuro - High	Early - Community	0	1.3547	4
1BC21	Neuro - High	Early - Community	1	1.4130	4
1BC31	Neuro - High	Early - Community	2	1.5557	4
2BC11	Neuro - High	Early - Institutional	0	1.5746	5
2BC21	Neuro - High	Early - Institutional	1	1.6328	5
2BC31	Neuro - High	Early - Institutional	2	1.7756	4
3BC11	Neuro - High	Late - Community	0	0.9880	2
3BC21	Neuro - High	Late - Community	1	1.0462	3
3BC31	Neuro - High	Late - Community	2	1.1890	3
4BC11	Neuro - High	Late - Institutional	0	1.4896	4
4BC21	Neuro - High	Late - Institutional	1	1.5478	4
4BC31	Neuro - High	Late - Institutional	2	1.6906	4
1BA11	Neuro - Low	Early - Community	0	1.0940	4
1BA21	Neuro - Low	Early - Community	1	1.1523	4
1BA31	Neuro - Low	Early - Community	2	1.2951	4
2BA11	Neuro - Low	Early - Institutional	0	1.3139	4
2BA21	Neuro - Low	Early - Institutional	1	1.3722	4
2BA31	Neuro - Low	Early - Institutional	2	1.5150	5
3BA11	Neuro - Low	Late - Community	0	0.7273	2
3BA21	Neuro - Low	Late - Community	1	0.7856	2
3BA31	Neuro - Low	Late - Community	2	0.9283	2
4BA11	Neuro - Low	Late - Institutional	0	1.2289	4
4BA21	Neuro - Low	Late - Institutional	1	1.2872	4
4BA31	Neuro - Low	Late - Institutional	2	1.4299	4
1BB11	Neuro - Medium	Early - Community	0	1.2124	4
1BB21	Neuro - Medium	Early - Community	1	1.2707	4
1BB31	Neuro - Medium	Early - Community	2	1.4134	4
2BB11	Neuro - Medium	Early - Institutional	0	1.4323	5
2BB21	Neuro - Medium	Early - Institutional	1	1.4905	5
2BB31	Neuro - Medium	Early - Institutional	2	1.6333	5
3BB11	Neuro - Medium	Late - Community	0	0.8457	2
3BB21	Neuro - Medium	Late - Community	1	0.9039	2
3BB31	Neuro - Medium	Late - Community	2	1.0467	2
4BB11	Neuro - Medium	Late - Institutional	0	1.3473	4
4BB21	Neuro - Medium	Late - Institutional	1	1.4055	4

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HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity 2 = interaction)	Recalibrated Weight for 2023	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
4BB31	Neuro - Medium	Late - Institutional	2	1.5483	4
1CC11	Wound - High	Early - Community	0	1.5148	4
1CC21	Wound - High	Early - Community	1	1.5730	4
1CC31	Wound - High	Early - Community	2	1.7158	4
2CC11	Wound - High	Early - Institutional	0	1.7347	5
2CC21	Wound - High	Early - Institutional	1	1.7929	4
2CC31	Wound - High	Early - Institutional	2	1.9357	4
3CC11	Wound - High	Late - Community	0	1.1481	3
3CC21	Wound - High	Late - Community	1	1.2063	3
3CC31	Wound - High	Late - Community	2	1.3491	3
4CC11	Wound - High	Late - Institutional	0	1.6497	4
4CC21	Wound - High	Late - Institutional	1	1.7079	4
4CC31	Wound - High	Late - Institutional	2	1.8507	4
1CA11	Wound - Low	Early - Community	0	1.2725	4
1CA21	Wound - Low	Early - Community	1	1.3308	4
1CA31	Wound - Low	Early - Community	2	1.4735	4
2CA11	Wound - Low	Early - Institutional	0	1.4924	4
2CA21	Wound - Low	Early - Institutional	1	1.5507	4
2CA31	Wound - Low	Early - Institutional	2	1.6934	4
3CA11	Wound - Low	Late - Community	0	0.9058	2
3CA21	Wound - Low	Late - Community	1	0.9640	3
3CA31	Wound - Low	Late - Community	2	1.1068	3
4CA11	Wound - Low	Late - Institutional	0	1.4074	3
4CA21	Wound - Low	Late - Institutional	1	1.4656	4
4CA31	Wound - Low	Late - Institutional	2	1.6084	4
1CB11	Wound - Medium	Early - Community	0	1.3822	4
1CB21	Wound - Medium	Early - Community	1	1.4404	4
1CB31	Wound - Medium	Early - Community	2	1.5832	4
2CB11	Wound - Medium	Early - Institutional	0	1.6021	4
2CB21	Wound - Medium	Early - Institutional	1	1.6603	5
2CB31	Wound - Medium	Early - Institutional	2	1.8031	5
3CB11	Wound - Medium	Late - Community	0	1.0154	3
3CB21	Wound - Medium	Late - Community	1	1.0737	3
3CB31	Wound - Medium	Late - Community	2	1.2165	3
4CB11	Wound - Medium	Late - Institutional	0	1.5170	4
4CB21	Wound - Medium	Late - Institutional	1	1.5753	4
4CB31	Wound - Medium	Late - Institutional	2	1.7181	4

CMS is also finalizing its proposal to implement the changes to the PDGM case-mix weights in a budget neutral manner by applying a case-mix budget neutrality factor to the CY 2023 national, standardized 30-day period payment rate. The final case-mix budget neutrality factor for CY 2023 will be 0.9904.

CY 2023 Home Health Payment Rate Updates

Market Basket (Page 124)

Based on IHS Global Inc.'s third-quarter 2022 forecast with historical data through second-quarter 2022, the home health market basket update is 4.1 percent. The CY 2023 home health market basket update of 4.1 percent is then reduced by a productivity adjustment of 0.1 percentage point for CY 2023. For HHAs that submit the required quality data for CY 2022, the home health payment update is a 4.0 percent increase. For HHAs that do not submit the required quality data for CY 2023, the home health payment update is 2.0 percent (4.0 percent minus 2.0 percentage points).

CMS will maintain the current labor amounts of 76.1 percent and the non-labor related share of 23.9 percent. (Page 138)

CY 2023 Home Health Wage Index (Page 130)

CMS is finalizing its proposal to use the FY 2023 pre-floor, pre-reclassified hospital wage index data as the basis for the CY 2023 HH PPS wage index. The CY 2023 wage indexes are available on the CMS website at: https://www.cms.gov/Center/Provider-Type/Home-Health-Agency-HHA-Center.

Permanent Cap on Wage Index Decreases (Page 130)

CMS is finalizing, for CY 2023 and subsequent years, the application of a permanent 5-percent cap on any decrease to a geographic area's wage index from its wage index in the prior year, regardless of the circumstances causing the decline. That is, CMS is finalizing its policy that a geographic area's wage index for CY 2023 would not be less than 95 percent of its final wage index for CY 2022, regardless of whether the geographic area is part of an updated CBSA, and that for subsequent years, a geographic area's wage index would not be less than 95 percent of its wage index calculated in the prior CY.

CY 2023 National, Standardized 30-Day Period Payment Amount (Page 141)

The CY 2023 national standardized 30-day episode payment rate will be as follows.

CY 2022 National Standardized 30-Day Period Payment	Permanent Behavioral Adjustment Factor	Case-Mix Weights Budget Neutrality Factor	Wage Index Budget Neutrality Factor	CY 2023 HH Payment Update	CY 2023 National, Standardized 30-Day Period Payment
$2,031.64	0.96075	0.9904	1.0001	1.040	$2,010.69

The CY 2023 30-day national standardized 30-day episode payment amount for HHAs that DO NOT submit quality data are as follows.

CY 2022 National Standardized 30-Day Period Payment	Permanent BA Adjustment Factor	Case-Mix Weights Budget Neutrality Factor	Wage Index Budget Neutrality Factor	CY 2023 HH Payment Update	CY 2023 National, Standardized 30-Day Period Payment
$2,031.64	0.96075	0.9904	1.0001	1.020	$1,972.02

CY 2023 National Per-Visit Payment Amounts Rates (Page 142)

The CY 2023 national per-visit rates for HHAs that submit required quality data are updated by the CY 2023 HH payment update percentage of 4.0 percent and are shown in the table below. For HHAs that do not submit quality data, the update is 1.020 percent.

CY 2023 National Per-Visit Payment Amounts

HH Discipline	CY 2022 Per-Visit Payment Amount	Wage Index Budget Neutrality Factor	CY 2023 HH Payment Update	CY 2023 Per-Visit Payment Amount
Home Health Aide	$71.04	1.0007	1.040	$73.93
Medical Social Services	$251.48	1.0007	1.040	$261.72
Occupational Therapy	$172.67	1.0007	1.040	$179.70
Physical Therapy	$171.49	1.0007	1.040	$178.47
Skilled Nursing	$156.90	1.0007	1.040	$163.29
Speech-Language Pathology	$186.41	1.0007	1.040	$194.00

LUPA Add-On Factors (Page 142)

In the CY 2019 HH PPS final rule CMS finalized its policy of continuing to multiply the per-visit payment amount for the first skilled nursing, physical therapy, or speech-language pathology visit in LUPA periods that occur as the only period of care or the initial 30-day period of care in a sequence of adjacent 30-day periods of care by the appropriate add-on factor (1.8451 for SN, 1.6700 for PT, and 1.6266 for SLP) to determine the LUPA add-on payment amount for 30-day periods of care under the PDGM.

For example, using the "proposed" CY 2023 per-visit payment rates for HHAs that submit the required quality data, for LUPA periods that occur as the only period or an initial period in a sequence of adjacent periods, if the first skilled visit is SN, the payment for that visit would be $301.29 (1.8451 multiplied by $163.29), subject to area wage adjustment.

COMMENT

The above paragraph says the example is using the HH proposed rates. It is not, the example's calculation is correct.

Payments for High-Cost Outliers under the HH PPS (Page 145)

CMS says it did not receive any public comments on the proposed FDL ratio. Therefore, CMS is finalizing the fixed-dollar loss ratio of 0.35 for CY 2023. The current FDL ratio is 0.40.

Comment Solicitation on the Collection of Data on the Use of Telecommunications Technology under the Medicare Home Health Benefit (Page 145)

CMS solicited comments on the use of three new G-codes identifying when home health services are furnished using synchronous telemedicine rendered via a real-time two-way audio and video telecommunications system; synchronous telemedicine rendered via telephone or other real-time interactive audio-only telecommunications system; and the collection of physiologic data digitally stored and/or transmitted by the patient to the home health agency, that is, remote patient monitoring.

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CMS aims to begin collecting by January 1, 2023 on a voluntary basis by HHAs, and will begin to require this information be reported on claims by July of 2023.

Further, CMS says it plans to issue instructions that these forthcoming G-codes are to be used to report services in line-item detail and each service must be reported as a separate line under the appropriate revenue code (04x – Physical Therapy, 043x – Occupational Therapy, 044x - Speech-Language Pathology, 055x – Skilled Nursing, 056x – Medical Social Services, or 057x- Home Health Aide).

Home Health Quality Reporting Program (HH QRP) (Page 157)
The HH QRP currently includes 20 measures for the CY 2023 program year. Refer rule's table C-1 for the list.

End of the Suspension of OASIS Data Collection on Non-Medicare/Non-Medicaid HHA Patients and Requirement for HHAs to Submit All-Payer OASIS Data for Purposes of the HH QRP, Beginning with the CY 2027 Program Year (Page 159)

CMS is finalizing the end the suspension of non-Medicare/Medicaid OASIS data collection and to require HHAs to submit all-payer OASIS data for purposes of the HH QRP beginning with the CY 2027 HH QRP program year.

CMS is providing a phase-in period for January 1, 2025 through June 30, 2025 in which failure to submit the data will not result in a penalty.

COMMENT

This section contains to two subsections marked as "G."

Expanded Home Health Value-Based Purchasing (HHVBP) Model (Page 181)
CMS is;

Adding definitions for HHA baseline year and Model baseline year, and remove the previous definition of baseline year; Changing the HHA baseline year from CY 2019 to CY 2022 for existing HHAs with a Medicare certification date prior to January 1, 2019, and from 2021 to 2022 for HHAs with a Medicare certification date prior to January 1, 2022 starting in the CY 2023 performance year; and, Changing the Model baseline year from CY 2019 to CY 2022 starting in CY 2023.

Home Infusion Therapy Services: Annual Payment Updates for CY 2023 (Page 201)
Section 1834(u)(3) of the Act specifies that annual updates to be equal to the percent increase in the Consumer Price Index for all urban consumers (CPI–U) for the 12-month period ending with June of the preceding year, reduced by the productivity adjustment for CY 2023. The CPI–U for the 12-month period ending in June of 2022 is 9.1 percent and the corresponding productivity adjustment is 0.4 percent based on IHS Global Inc.'s third-quarter 2022 forecast of the CY 2023 productivity adjustment (which reflects the 10-year moving average of changes in annual economy-wide private nonfarm business TFP for the period ending June 30, 2022). Therefore, the final home infusion therapy payment rate update for CY 2023 is 8.7 percent.

The single payment amounts are also adjusted in a budget neutral manner using standardization factors for geographic area wage differences using the geographic adjustment factors (GAF). The CY 2023 GAF standardization factor that will be used in updating the final HIT payment amounts for CY 2023 is not available for this final rule. However, the standardization factor, the final GAFs, national home infusion therapy payment rates, and locality-adjusted home infusion therapy payment rates will be posted on CMS' Home Infusion Therapy Services webpage once these rates are finalized.

COMMENT

CMS states that the HH market basket increase is 4.1 percent reduced by a productivity adjustment of 0.1 percentage point. If so, why is the home infusion update being reduced by a productivity factor of 0.4 percent?

FINAL THOUGHTS AND COMMENTS

The behavioral decrease of $635 million in overall HH payments is cause for major concern. Yes, the requirement to do such is embedded in the statute.

The HH PPS appears to have become a coding nightmare. There are now so many codes it is difficult to follow all, especially in figuring payments.

*Analysis provided for MHA
by Larry Goldberg,
Goldberg Consulting*