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# Issue Brief

FEDERAL ISSUE BRIEF



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

**July 3, 2023**

## **Proposed Home Health CY 2024 Home Health Prospective Payment System Update Released**

The Centers for Medicare & Medicaid Services (CMS) have issued a proposed calendar year (CY) 2024 update to the home health prospective payment system (HH PPS). The 392-page rule is currently on display at the **Federal Register**. A copy is at: <https://public-inspection.federalregister.gov/2023-14044.pdf>. Publication is scheduled for July 10. A 60-day comment period ending August 29 is provided.

The proposal would update Medicare payment policies and rates, proposes a permanent prospective adjustment to the CY 2024 home health payment rate to account for the impact of the implementation of the Patient-Driven Groupings Model (PDGM). This adjustment accounts for differences between assumed behavior changes and actual behavior changes on estimated aggregate expenditures due to the implementation of the PDGM and 30-day unit of payment as required by the **Bipartisan Budget Act of 2018**.

In addition, CMS is also proposing to rebase and revise the home health market basket; revise the labor related share; recalibrate the PDGM case-mix weights; update the low utilization payment adjustment (LUPA) thresholds, functional impairment levels, and comorbidity adjustment sub-groups.

Further CMS is piggy backing other items in this proposal. CMS would codify, statutory requirements for disposable negative pressure wound therapy (dNPWT), and establish regulations to implement payment for items and services under two new benefits; lymphedema and compression treatment items and home intravenous immune globulin (IVIG) as required by the **Consolidated Appropriations Act of 2023, (CAA)**.

Additionally, the rule proposes changes to the Home Health Quality Reporting Program (HH QRP) requirements and expands the Home Health Value-Based Purchasing (HHVBP) Model resulting from recent legislation; to add an informal dispute resolution (IDR) and special focus program (SFP) for hospice programs; to codify DMEPOS refill policy; and to revise Medicare provider and supplier enrollment requirements.

### **Comments**

CMS has included a table of contents that only identifies major headings.

We have added page numbers (as reflected in the display copy of the rule at the **Federal Register** office.)

## HH Payment Increases

The net transfer impact related to the changes in payments is estimated to be -\$375 million (-2.2 percent). The \$375 million decrease in estimated payments reflects the effects of the proposed CY 2024 home health payment update percentage of 2.7 percent (\$460 million increase), an estimated 5.1 percent decrease that reflects the effects of the permanent behavior adjustment (\$870 million decrease) and an estimated 0.2 percent increase that reflects the effects of an updated Fix Dollar Loss (FDL) (\$35 million increase). (Page 344)

CMS has provided the following table summarizing the costs of the proposed rule.

### Summary of Costs, Transfers, and Benefits (Page 16)

Provision Description	Costs and Cost Savings	Transfers	Benefits
CY 2024 HH PPS Payment Rate Update		<p>The overall economic impact related to the changes in payments under the HH PPS for CY 2024 is estimated to be -\$375 million (-2.2 percent). The \$375 million decrease reflects the the CY 2024 proposed home health payment update percentage of 2.7 percent (\$460 million increase), an estimated 5.1 percent decrease* that reflects the effects of the permanent behavioral assumption adjustment (-\$870 million) and an estimated 0.2 percent increase that reflects the effects of an updated FDL (\$35 million increase).</p> <p>*The estimated 5.1 percent decrease related to the proposed behavioral assumption adjustment includes all payments, while the proposed -5.653 percent BA adjustment only applies to the national, standardized 30-Day period payments and does not impact payments for 30-day periods which are LUPAs.</p>	To ensure that home health payments are consistent with statutory payment authority for CY 2024.
HH QRP		The total economic impact of these proposals including the addition of the COVID-19 QM, removal of the Application of Functional Assessment/Care Plan, and the removal of the M0110 – Episode Timing and M2220- Therapy Needs OASIS items proposed for implementation in CY 2025 is an estimated \$5,123,429.	The reduction of unnecessary data collection burden and the introduction of more impactful quality measures.

Provision Description	Costs and Cost Savings	Transfers	Benefits
Expanded HHVBP Model		The overall economic impact of the expanded HHVBP Model for CYs 2024 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.	
Home IVIG Items and Services		The overall economic impact for CY 2024 is an estimated increase of \$8,779,095 in total costs to Medicare FFS.	To implement a new payment under the home intravenous immune globulin benefit in accordance with section 4134 of the CAA of 2023, in order to ensure beneficiaries have comprehensive access to home IVIG.
Hospice Informal Dispute Resolution and Special Focus Program	<p>The IDR is an administrative process conducted by CMS, the SA, or the AOs as part of their survey activities, and is separate from the SFP. The Congress has already allocated \$10 million annually to CMS to implement the CAA 2021 hospice provisions, which includes the SFP.</p> <p>Additionally, CMS obligates monies to the SAs to carry out survey and certification responsibilities under their agreement with CMS. SAs and AOs may already have existing IDR processes in place for the HHA IDR requirements. The hospice IDR requirements will align with the IDR requirements for HHAs. Therefore, no additional burden will be incurred by CMS, SAs, the AOs.</p>		

Provision Description	Costs and Cost Savings	Transfers	Benefits
Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Products and CAA 2023 -Related Changes		For the conforming change to sections in CAA of 2023 provision, the overall economic impact for CY 2023 and CY 2024 is an estimated \$100 million in total cost to FFS Medicare. For the lymphedema provision, the overall economic impact for CYs 2024 through 2028 is an estimated \$300 million in total cost to FFS Medicare.	The codification of refill requirements is intended to help ensure the appropriateness of recurring DMEPOS payments, to protect both beneficiaries and the TrustFund.
Documentation Requirements for DMEPOS Products Supplied as Refills to the Original Order	The fiscal impact of these requirements cannot be estimated as claims often deny for multiple reasons, which may include non-compliance with refill requirements; creating an inability for CMS to accurately demonstrate a causal relationship. In addition, to demonstrate impacts CMS would have to be able to predict behaviors and anticipated non-compliance in future claim submissions, which are unknown variables.	Documentation Requirements for DMEPOS Products Supplied as Refills to the Original Order	The fiscal impact of these requirements cannot be estimated as claims often deny for multiple reasons, which may include non-compliance with refill requirements; creating an inability for CMS to accurately demonstrate a causal relationship. In addition, to demonstrate impacts CMS would have to be able to predict behaviors and anticipated non-compliance in future claim submissions, which are unknown variables.
Provider Enrollment Provisions	As explained in the collection of information and regulatory impact sections of this proposed rule, CMS expects a combined annual cost to affected providers and suppliers of \$1,081,782.		To strengthen CMS' ability to detect and deter fraud, waste, and abuse in the Medicare program.

### Proposed PDGM Behavioral Assumptions and Adjustments (Page 21)

On January 1, 2020, CMS implemented the home health PDGM and a 30-day unit of payment, as required by section 1895(b) of the Social Security Act, as amended by the ***Bipartisan Budget Act of 2018***.

The law requires CMS to make assumptions about behavior changes that could occur because of the implementation of the 30-day unit of payment and the PDGM. The law also requires CMS to annually determine the impact of differences between assumed behavior changes and actual behavior changes on estimated aggregate expenditures, beginning with 2020 and ending with 2026, and to make temporary and permanent increases or decreases, as needed, to the 30-day payment amount to offset such increases or decreases.

CMS has determined the CY 2020 30-day base payment rate should have been \$1,742.52 based on actual behavior rather than the \$1,864.03 based on assumed behaviors. CMS says it determined that its

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initial estimate of base payment rates required to achieve budget neutrality resulted in excess expenditures of HHAs of approximately \$873 million in CY 2020. (Page 46)

CMS' analysis shows that the CY 2021 national, standardized 30-day period payment rate of \$1,901.12 was approximately 34 percent more than the estimated CY 2021 estimated 30-day period cost of \$1,420.35. (Pages 25 and 47)

CMS says the CY 2022 national, standardized 30-day period payment rate was \$2,031.64, which is approximately 45 percent more than the estimated CY 2022 estimated 30-day period cost of \$1,402.27. (Page 26)

**Proposed CY 2024 Permanent Adjustment and Temporary Adjustment Calculations (Page 52)**

"To offset the increase in estimated aggregate expenditures for CYs 2020 and 2021 based on the impact of the differences between assumed and actual behavior changes, CMS needed to apply a -7.85 percent permanent adjustment to the CY 2023 base payment rate, as well as implement a temporary adjustment of approximately \$2.1 billion to reconcile retrospective overpayments in CYs 2020 and 2021."

CMS proposed to apply only the permanent adjustment to the CY 2023 base payment rate. CMS says it "believed this could mitigate the need for a larger permanent adjustment and could reduce the amount of any additional temporary adjustments in future years."

CMS finalized only a -3.925 percent (half of the -7.85 percent) permanent adjustment for CY 2023.

CMS notes that it looks at the total permanent adjustment needed for the current year of data and account for any prior permanent adjustments through multiplication and division of factors. In other words, CMS has determined the total permanent adjustment based on CY 2022 data (which had no prior adjustments) is -9.356 percent.

To offset the increase in estimated aggregate expenditures for CY 2022 based on the impact of the differences between assumed and actual behavior changes, and to account for the permanent adjustment of -3.925 percent taken in CY 2023 rulemaking, CMS says it needs to apply a -5.653 percent permanent adjustment to the CY 2024 base payment rate. CMS is not proposing to implement a temporary adjustment in CY 2024. (Pages 54-55)

**Comment**

The adjustments between estimated and actual outlays in calculating budget neutrality amounts for the PDGM and under what they would have been using the 153-group case-mix system and 60-day unit of payment is a complex and detailed.

It appears CMS has significantly over calculated its estimated amounts and now needs to recover some \$870 million.

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For years, this writer has been perplexed by CMS' rationale for not making yearly and yes retroactive adjustments on a prospective basis to its area wage index (AWI) estimations. CMS has argued that to do such would violate the concept of a prospective payment system. Not if such adjustments are made on a prospective basis. Now, by law, CMS is making retrospective adjustments to its estimations of payments in the home health PPS. While the calculations are retrospective, the implementation is being made prospectively.

Its time, long overdue, for CMS to make more such adjustments including the AWI. CMS says it wants accuracy. Here is one way the help insure such.

### ***Proposed CY 2024 PDGM LUPA Thresholds*** (Page 55)

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.

For CY 2024, CMS is proposing to update the LUPA thresholds using CY 2022 home health claims utilization data (as of March 17, 2023), in accordance with its policy to annually recalibrate the case-mix weights and update the LUPA thresholds, functional impairment levels and comorbidity subgroups. The proposed LUPA thresholds for the CY 2024 PDGM payment groups with the corresponding Health Insurance Prospective Payment System (HIPPS) codes and the case-mix weights are listed in the rule's Table B22.

### ***Proposed CY 2024 Functional Impairment Levels*** (Page 57)

For CY 2024, CMS proposes to use CY 2022 claims data to update the functional points and functional impairment levels by clinical group.

The updated OASIS functional points table and the table of functional impairment levels by clinical group for CY 2024 are listed in the rule's Tables B17 and B18, respectively. (Pages 58 and 59)

### ***Proposed CY 2023 Comorbidity Subgroups*** (Page 60)

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.

For CY 2024, CMS proposes to update the comorbidity subgroups to include 21 low comorbidity adjustment subgroups as identified in Table B19 and 101 high comorbidity adjustment interaction subgroups as identified in Table B20. (Page 61)

**Proposed CY 2024 PDGM Case-Mix Weights (Pages 71-83))**

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity 2 = interaction)	Recalibrated Weight for 2024	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
1FC11	Behavioral Health - High	Early - Community	0	1.0969	4
1FC21	Behavioral Health - High	Early - Community	1	1.1528	4
1FC31	Behavioral Health - High	Early - Community	2	1.3124	4
2FC11	Behavioral Health - High	Early - Institutional	0	1.3133	4
2FC21	Behavioral Health - High	Early - Institutional	1	1.3692	4
2FC31	Behavioral Health - High	Early - Institutional	2	1.5288	4
3FC11	Behavioral Health - High	Late - Community	0	0.7342	2
3FC21	Behavioral Health - High	Late - Community	1	0.7901	2
3FC31	Behavioral Health - High	Late - Community	2	0.9496	2
4FC11	Behavioral Health - High	Late - Institutional	0	1.2229	3
4FC21	Behavioral Health - High	Late - Institutional	1	1.2788	3
4FC31	Behavioral Health - High	Late - Institutional	2	1.4384	3
1FA11	Behavioral Health - Low	Early - Community	0	0.9044	3
1FA21	Behavioral Health - Low	Early - Community	1	0.9603	3
1FA31	Behavioral Health - Low	Early - Community	2	1.1199	3
2FA11	Behavioral Health - Low	Early - Institutional	0	1.1208	3
2FA21	Behavioral Health - Low	Early - Institutional	1	1.1767	3
2FA31	Behavioral Health - Low	Early - Institutional	2	1.3363	2
3FA11	Behavioral Health - Low	Late - Community	0	0.5417	2
3FA21	Behavioral Health - Low	Late - Community	1	0.5976	2
3FA31	Behavioral Health - Low	Late - Community	2	0.7571	2
4FA11	Behavioral Health - Low	Late - Institutional	0	1.0304	3
4FA21	Behavioral Health - Low	Late - Institutional	1	1.0863	3
4FA31	Behavioral Health - Low	Late - Institutional	2	1.2459	2
1FB11	Behavioral Health - Medium	Early - Community	0	1.0079	4
1FB21	Behavioral Health - Medium	Early - Community	1	1.0638	4
1FB31	Behavioral Health - Medium	Early - Community	2	1.2234	4
2FB11	Behavioral Health - Medium	Early - Institutional	0	1.2243	4
2FB21	Behavioral Health - Medium	Early - Institutional	1	1.2802	4
2FB31	Behavioral Health - Medium	Early - Institutional	2	1.4398	4

HIPPS	Clinical Group and Functional Level	Admission Source and Timing	Comorbidity Adjustment (0 = none, 1 = single comorbidity 2 = interaction)	Recalibrated Weight for 2024	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3FB11	Behavioral Health - Medium	Late - Community	0	0.6452	2
3FB21	Behavioral Health - Medium	Late - Community	1	0.7011	2
3FB31	Behavioral Health - Medium	Late - Community	2	0.8606	2
4FB11	Behavioral Health - Medium	Late - Institutional	0	1.1339	3
4FB21	Behavioral Health - Medium	Late - Institutional	1	1.1898	3
4FB31	Behavioral Health - Medium	Late - Institutional	2	1.3494	3
1DC11	Complex - High	Early - Community	0	0.9934	2
1DC21	Complex - High	Early - Community	1	1.0493	2
1DC31	Complex - High	Early - Community	2	1.2089	2
2DC11	Complex - High	Early - Institutional	0	1.2098	4
2DC21	Complex - High	Early - Institutional	1	1.2657	3
2DC31	Complex - High	Early - Institutional	2	1.4253	4
3DC11	Complex - High	Late - Community	0	0.6307	2
3DC21	Complex - High	Late - Community	1	0.6866	2
3DC31	Complex - High	Late - Community	2	0.8461	2
4DC11	Complex - High	Late - Institutional	0	1.1194	3
4DC21	Complex - High	Late - Institutional	1	1.1753	3
4DC31	Complex - High	Late - Institutional	2	1.3349	3
1DA11	Complex - Low	Early - Community	0	0.8839	2
1DA21	Complex - Low	Early - Community	1	0.9398	2
1DA31	Complex - Low	Early - Community	2	1.0994	2
2DA11	Complex - Low	Early - Institutional	0	1.1003	3
2DA21	Complex - Low	Early - Institutional	1	1.1562	3
2DA31	Complex - Low	Early - Institutional	2	1.3157	3
3DA11	Complex - Low	Late - Community	0	0.5211	2
3DA21	Complex - Low	Late - Community	1	0.5771	2
3DA31	Complex - Low	Late - Community	2	0.7366	2
4DA11	Complex - Low	Late - Institutional	0	1.0099	2
4DA21	Complex - Low	Late - Institutional	1	1.0658	2
4DA31	Complex - Low	Late - Institutional	2	1.2254	3
1DB11	Complex - Medium	Early - Community	0	1.0163	2
1DB21	Complex - Medium	Early - Community	1	1.0722	2
1DB31	Complex - Medium	Early - Community	2	1.2318	2
2DB11	Complex - Medium	Early - Institutional	0	1.2327	4
2DB21	Complex - Medium	Early - Institutional	1	1.2886	4
2DB31	Complex - Medium	Early - Institutional	2	1.4482	4

Questions? Contact Andrew Wheeler, MHA's Vice President of Federal Finance, at 573-893-3700 | ext. 1336 or awheeler@mhanet.com.

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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 2024	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3DB11	Complex - Medium	Late - Community	0	0.6536	2
3DB21	Complex - Medium	Late - Community	1	0.7095	2
3DB31	Complex - Medium	Late - Community	2	0.869	2
4DB11	Complex - Medium	Late - Institutional	0	1.1423	3
4DB21	Complex - Medium	Late - Institutional	1	1.1982	3
4DB31	Complex - Medium	Late - Institutional	2	1.3578	3
1HC11	MMTA - Cardiac - High	Early - Community	0	1.1365	4
1HC21	MMTA - Cardiac - High	Early - Community	1	1.1924	4
1HC31	MMTA - Cardiac - High	Early - Community	2	1.3519	4
2HC11	MMTA - Cardiac - High	Early - Institutional	0	1.3529	4
2HC21	MMTA - Cardiac - High	Early - Institutional	1	1.4088	4
2HC31	MMTA - Cardiac - High	Early - Institutional	2	1.5683	4
3HC11	MMTA - Cardiac - High	Late - Community	0	0.7737	2
3HC21	MMTA - Cardiac - High	Late - Community	1	0.8297	2
3HC31	MMTA - Cardiac - High	Late - Community	2	0.9892	3
4HC11	MMTA - Cardiac - High	Late - Institutional	0	1.2625	4
4HC21	MMTA - Cardiac - High	Late - Institutional	1	1.3184	3
4HC31	MMTA - Cardiac - High	Late - Institutional	2	1.4779	4
1HA11	MMTA - Cardiac - Low	Early - Community	0	0.9295	4
1HA21	MMTA - Cardiac - Low	Early - Community	1	0.9854	4
1HA31	MMTA - Cardiac - Low	Early - Community	2	1.145	3
2HA11	MMTA - Cardiac - Low	Early - Institutional	0	1.1459	4
2HA21	MMTA - Cardiac - Low	Early - Institutional	1	1.2018	4
2HA31	MMTA - Cardiac - Low	Early - Institutional	2	1.3613	4
3HA11	MMTA - Cardiac - Low	Late - Community	0	0.5667	2
3HA21	MMTA - Cardiac - Low	Late - Community	1	0.6227	2
3HA31	MMTA - Cardiac - Low	Late - Community	2	0.7822	2
4HA11	MMTA - Cardiac - Low	Late - Institutional	0	1.0555	3
4HA21	MMTA - Cardiac - Low	Late - Institutional	1	1.1114	3
4HA31	MMTA - Cardiac - Low	Late - Institutional	2	1.271	3
1HB11	MMTA - Cardiac - Medium	Early - Community	0	1.0303	4
1HB21	MMTA - Cardiac - Medium	Early - Community	1	1.0862	4
1HB31	MMTA - Cardiac - Medium	Early - Community	2	1.2458	4
2HB11	MMTA - Cardiac - Medium	Early - Institutional	0	1.2467	4
2HB21	MMTA - Cardiac - Medium	Early - Institutional	1	1.3026	4
2HB31	MMTA - Cardiac - Medium	Early - Institutional	2	1.4622	5

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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 2024	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3HB11	MMTA - Cardiac - Medium	Late - Community	0	0.6675	2
3HB21	MMTA - Cardiac - Medium	Late - Community	1	0.7235	2
3HB31	MMTA - Cardiac - Medium	Late - Community	2	0.883	3
4HB11	MMTA - Cardiac - Medium	Late - Institutional	0	1.1563	3
4HB21	MMTA - Cardiac - Medium	Late - Institutional	1	1.2122	3
4HB31	MMTA - Cardiac - Medium	Late - Institutional	2	1.3718	4
1IC11	MMTA - Endocrine - High	Early - Community	0	1.3316	4
1IC21	MMTA - Endocrine - High	Early - Community	1	1.3875	4
1IC31	MMTA - Endocrine - High	Early - Community	2	1.5471	4
2IC11	MMTA - Endocrine - High	Early - Institutional	0	1.548	4
2IC21	MMTA - Endocrine - High	Early - Institutional	1	1.6039	4
2IC31	MMTA - Endocrine - High	Early - Institutional	2	1.7635	4
3IC11	MMTA - Endocrine - High	Late - Community	0	0.9689	3
3IC21	MMTA - Endocrine - High	Late - Community	1	1.0248	3
3IC31	MMTA - Endocrine - High	Late - Community	2	1.1843	3
4IC11	MMTA - Endocrine - High	Late - Institutional	0	1.4576	4
4IC21	MMTA - Endocrine - High	Late - Institutional	1	1.5135	4
4IC31	MMTA - Endocrine - High	Late - Institutional	2	1.6731	4
1IA11	MMTA - Endocrine - Low	Early - Community	0	1.2159	4
1IA21	MMTA - Endocrine - Low	Early - Community	1	1.2719	4
1IA31	MMTA - Endocrine - Low	Early - Community	2	1.4314	4
2IA11	MMTA - Endocrine - Low	Early - Institutional	0	1.4323	4
2IA21	MMTA - Endocrine - Low	Early - Institutional	1	1.4883	4
2IA31	MMTA - Endocrine - Low	Early - Institutional	2	1.6478	4
3IA11	MMTA - Endocrine - Low	Late - Community	0	0.8532	3
3IA21	MMTA - Endocrine - Low	Late - Community	1	0.9091	3
3IA31	MMTA - Endocrine - Low	Late - Community	2	1.0687	3
4IA11	MMTA - Endocrine - Low	Late - Institutional	0	1.3419	3
4IA21	MMTA - Endocrine - Low	Late - Institutional	1	1.3979	3
4IA31	MMTA - Endocrine - Low	Late - Institutional	2	1.5574	4
1IB11	MMTA - Endocrine - Medium	Early - Community	0	1.2243	4
1IB21	MMTA - Endocrine - Medium	Early - Community	1	1.2802	4
1IB31	MMTA - Endocrine - Medium	Early - Community	2	1.4397	4
2IB11	MMTA - Endocrine - Medium	Early - Institutional	0	1.4406	4
2IB21	MMTA - Endocrine - Medium	Early - Institutional	1	1.4966	4
2IB31	MMTA - Endocrine - Medium	Early - Institutional	2	1.6561	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 2024	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
3IB11	MMTA - Endocrine - Medium	Late - Community	0	0.8615	3
3IB21	MMTA - Endocrine - Medium	Late - Community	1	0.9174	3
3IB31	MMTA - Endocrine - Medium	Late - Community	2	1.077	3
4IB11	MMTA - Endocrine - Medium	Late - Institutional	0	1.3503	4
4IB21	MMTA - Endocrine - Medium	Late - Institutional	1	1.4062	4
4IB31	MMTA - Endocrine - Medium	Late - Institutional	2	1.5657	4
1JC11	MMTA - GI/GU - High	Early - Community	0	1.12	3
1JC21	MMTA - GI/GU - High	Early - Community	1	1.1759	3
1JC31	MMTA - GI/GU - High	Early - Community	2	1.3355	2
2JC11	MMTA - GI/GU - High	Early - Institutional	0	1.3364	4
2JC21	MMTA - GI/GU - High	Early - Institutional	1	1.3923	4
2JC31	MMTA - GI/GU - High	Early - Institutional	2	1.5519	3
3JC11	MMTA - GI/GU - High	Late - Community	0	0.7573	2
3JC21	MMTA - GI/GU - High	Late - Community	1	0.8132	2
3JC31	MMTA - GI/GU - High	Late - Community	2	0.9727	2
4JC11	MMTA - GI/GU - High	Late - Institutional	0	1.246	3
4JC21	MMTA - GI/GU - High	Late - Institutional	1	1.3019	3
4JC31	MMTA - GI/GU - High	Late - Institutional	2	1.4615	3
1JA11	MMTA - GI/GU - Low	Early - Community	0	0.8925	2
1JA21	MMTA - GI/GU - Low	Early - Community	1	0.9484	2
1JA31	MMTA - GI/GU - Low	Early - Community	2	1.1079	2
2JA11	MMTA - GI/GU - Low	Early - Institutional	0	1.1088	3
2JA21	MMTA - GI/GU - Low	Early - Institutional	1	1.1648	3
2JA31	MMTA - GI/GU - Low	Early - Institutional	2	1.3243	3
3JA11	MMTA - GI/GU - Low	Late - Community	0	0.5297	2
3JA21	MMTA - GI/GU - Low	Late - Community	1	0.5856	2
3JA31	MMTA - GI/GU - Low	Late - Community	2	0.7452	2
4JA11	MMTA - GI/GU - Low	Late - Institutional	0	1.0185	3
4JA21	MMTA - GI/GU - Low	Late - Institutional	1	1.0744	3
4JA31	MMTA - GI/GU - Low	Late - Institutional	2	1.2339	3
1JB11	MMTA - GI/GU - Medium	Early - Community	0	1.0253	3
1JB21	MMTA - GI/GU - Medium	Early - Community	1	1.0812	3
1JB31	MMTA - GI/GU - Medium	Early - Community	2	1.2407	2
2JB11	MMTA - GI/GU - Medium	Early - Institutional	0	1.2416	4
2JB21	MMTA - GI/GU - Medium	Early - Institutional	1	1.2976	4
2JB31	MMTA - GI/GU - Medium	Early - Institutional	2	1.4571	4

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3JB11	MMTA - GI/GU - Medium	Late - Community	0	0.6625	2
3JB21	MMTA - GI/GU - Medium	Late - Community	1	0.7184	2
3JB31	MMTA - GI/GU - Medium	Late - Community	2	0.878	2
4JB11	MMTA - GI/GU - Medium	Late - Institutional	0	1.1513	3
4JB21	MMTA - GI/GU - Medium	Late - Institutional	1	1.2072	3
4JB31	MMTA - GI/GU - Medium	Late - Institutional	2	1.3667	3
1KC11	MMTA - Infectious - High	Early - Community	0	1.1424	2
1KC21	MMTA - Infectious - High	Early - Community	1	1.1983	2
1KC31	MMTA - Infectious - High	Early - Community	2	1.3579	2
2KC11	MMTA - Infectious - High	Early - Institutional	0	1.3588	3
2KC21	MMTA - Infectious - High	Early - Institutional	1	1.4147	3
2KC31	MMTA - Infectious - High	Early - Institutional	2	1.5743	3
3KC11	MMTA - Infectious - High	Late - Community	0	0.7797	2
3KC21	MMTA - Infectious - High	Late - Community	1	0.8356	2
3KC31	MMTA - Infectious - High	Late - Community	2	0.9951	2
4KC11	MMTA - Infectious - High	Late - Institutional	0	1.2684	3
4KC21	MMTA - Infectious - High	Late - Institutional	1	1.3243	3
4KC31	MMTA - Infectious - High	Late - Institutional	2	1.4839	3
1KA11	MMTA - Infectious - Low	Early - Community	0	0.9213	2
1KA21	MMTA - Infectious - Low	Early - Community	1	0.9772	2
1KA31	MMTA - Infectious - Low	Early - Community	2	1.1368	2
2KA11	MMTA - Infectious - Low	Early - Institutional	0	1.1377	3
2KA21	MMTA - Infectious - Low	Early - Institutional	1	1.1936	3
2KA31	MMTA - Infectious - Low	Early - Institutional	2	1.3531	3
3KA11	MMTA - Infectious - Low	Late - Community	0	0.5585	2
3KA21	MMTA - Infectious - Low	Late - Community	1	0.6145	2
3KA31	MMTA - Infectious - Low	Late - Community	2	0.774	2
4KA11	MMTA - Infectious - Low	Late - Institutional	0	1.0473	3
4KA21	MMTA - Infectious - Low	Late - Institutional	1	1.1032	3
4KA31	MMTA - Infectious - Low	Late - Institutional	2	1.2628	3
1KB11	MMTA - Infectious - Medium	Early - Community	0	1.0167	3
1KB21	MMTA - Infectious - Medium	Early - Community	1	1.0726	2
1KB31	MMTA - Infectious - Medium	Early - Community	2	1.2321	2
2KB11	MMTA - Infectious - Medium	Early - Institutional	0	1.2331	3
2KB21	MMTA - Infectious - Medium	Early - Institutional	1	1.289	3
2KB31	MMTA - Infectious - Medium	Early - Institutional	2	1.4485	4

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3KB11	MMTA - Infectious - Medium	Late - Community	0	0.6539	2
3KB21	MMTA - Infectious - Medium	Late - Community	1	0.7099	2
3KB31	MMTA - Infectious - Medium	Late - Community	2	0.8694	2
4KB11	MMTA - Infectious - Medium	Late - Institutional	0	1.1427	3
4KB21	MMTA - Infectious - Medium	Late - Institutional	1	1.1986	3
4KB31	MMTA - Infectious - Medium	Late - Institutional	2	1.3581	3
1AC11	MMTA - Other - High	Early - Community	0	1.1366	4
1AC21	MMTA - Other - High	Early - Community	1	1.1925	4
1AC31	MMTA - Other - High	Early - Community	2	1.3521	3
2AC11	MMTA - Other - High	Early - Institutional	0	1.353	4
2AC21	MMTA - Other - High	Early - Institutional	1	1.4089	4
2AC31	MMTA - Other - High	Early - Institutional	2	1.5684	4
3AC11	MMTA - Other - High	Late - Community	0	0.7738	2
3AC21	MMTA - Other - High	Late - Community	1	0.8298	2
3AC31	MMTA - Other - High	Late - Community	2	0.9893	2
4AC11	MMTA - Other - High	Late - Institutional	0	1.2626	3
4AC21	MMTA - Other - High	Late - Institutional	1	1.3185	3
4AC31	MMTA - Other - High	Late - Institutional	2	1.4781	4
1AA11	MMTA - Other - Low	Early - Community	0	0.9442	3
1AA21	MMTA - Other - Low	Early - Community	1	1.0001	3
1AA31	MMTA - Other - Low	Early - Community	2	1.1596	4
2AA11	MMTA - Other - Low	Early - Institutional	0	1.1605	3
2AA21	MMTA - Other - Low	Early - Institutional	1	1.2165	3
2AA31	MMTA - Other - Low	Early - Institutional	2	1.376	4
3AA11	MMTA - Other - Low	Late - Community	0	0.5814	2
3AA21	MMTA - Other - Low	Late - Community	1	0.6373	2
3AA31	MMTA - Other - Low	Late - Community	2	0.7969	2
4AA11	MMTA - Other - Low	Late - Institutional	0	1.0702	3
4AA21	MMTA - Other - Low	Late - Institutional	1	1.1261	3
4AA31	MMTA - Other - Low	Late - Institutional	2	1.2856	3
1AB11	MMTA - Other - Medium	Early - Community	0	1.0363	4
1AB21	MMTA - Other - Medium	Early - Community	1	1.0922	4
1AB31	MMTA - Other - Medium	Early - Community	2	1.2518	4
2AB11	MMTA - Other - Medium	Early - Institutional	0	1.2527	4
2AB21	MMTA - Other - Medium	Early - Institutional	1	1.3086	4
2AB31	MMTA - Other - Medium	Early - Institutional	2	1.4682	4

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3AB11	MMTA - Other - Medium	Late - Community	0	0.6736	2
3AB21	MMTA - Other - Medium	Late - Community	1	0.7295	2
3AB31	MMTA - Other - Medium	Late - Community	2	0.889	2
4AB11	MMTA - Other - Medium	Late - Institutional	0	1.1623	3
4AB21	MMTA - Other - Medium	Late - Institutional	1	1.2182	3
4AB31	MMTA - Other - Medium	Late - Institutional	2	1.3778	3
1LC11	MMTA - Respiratory - High	Early - Community	0	1.1393	3
1LC21	MMTA - Respiratory - High	Early - Community	1	1.1952	3
1LC31	MMTA - Respiratory - High	Early - Community	2	1.3547	2
2LC11	MMTA - Respiratory - High	Early - Institutional	0	1.3556	4
2LC21	MMTA - Respiratory - High	Early - Institutional	1	1.4116	4
2LC31	MMTA - Respiratory - High	Early - Institutional	2	1.5711	4
3LC11	MMTA - Respiratory - High	Late - Community	0	0.7765	2
3LC21	MMTA - Respiratory - High	Late - Community	1	0.8324	2
3LC31	MMTA - Respiratory - High	Late - Community	2	0.992	2
4LC11	MMTA - Respiratory - High	Late - Institutional	0	1.2653	3
4LC21	MMTA - Respiratory - High	Late - Institutional	1	1.3212	3
4LC31	MMTA - Respiratory - High	Late - Institutional	2	1.4807	3
1LA11	MMTA - Respiratory - Low	Early - Community	0	0.92	3
1LA21	MMTA - Respiratory - Low	Early - Community	1	0.9759	3
1LA31	MMTA - Respiratory - Low	Early - Community	2	1.1355	3
2LA11	MMTA - Respiratory - Low	Early - Institutional	0	1.1364	3
2LA21	MMTA - Respiratory - Low	Early - Institutional	1	1.1923	3
2LA31	MMTA - Respiratory - Low	Early - Institutional	2	1.3518	4
3LA11	MMTA - Respiratory - Low	Late - Community	0	0.5572	2
3LA21	MMTA - Respiratory - Low	Late - Community	1	0.6132	2
3LA31	MMTA - Respiratory - Low	Late - Community	2	0.7727	2
4LA11	MMTA - Respiratory - Low	Late - Institutional	0	1.046	3
4LA21	MMTA - Respiratory - Low	Late - Institutional	1	1.1019	3
4LA31	MMTA - Respiratory - Low	Late - Institutional	2	1.2615	3
1LB11	MMTA - Respiratory - Medium	Early - Community	0	1.0286	4
1LB21	MMTA - Respiratory - Medium	Early - Community	1	1.0846	3
1LB31	MMTA - Respiratory - Medium	Early - Community	2	1.2441	3
2LB11	MMTA - Respiratory - Medium	Early - Institutional	0	1.245	4
2LB21	MMTA - Respiratory - Medium	Early - Institutional	1	1.3009	4
2LB31	MMTA - Respiratory - Medium	Early - Institutional	2	1.4605	4

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3LB11	MMTA - Respiratory - Medium	Late - Community	0	0.6659	2
3LB21	MMTA - Respiratory - Medium	Late - Community	1	0.7218	2
3LB31	MMTA - Respiratory - Medium	Late - Community	2	0.8814	2
4LB11	MMTA - Respiratory - Medium	Late - Institutional	0	1.1546	3
4LB21	MMTA - Respiratory - Medium	Late - Institutional	1	1.2106	3
4LB31	MMTA - Respiratory - Medium	Late - Institutional	2	1.3701	4
1GC11	MMTA - Surgical Aftercare - High	Early - Community	0	1.1513	3
1GC21	MMTA - Surgical Aftercare - High	Early - Community	1	1.2072	2
1GC31	MMTA - Surgical Aftercare - High	Early - Community	2	1.3668	3
2GC11	MMTA - Surgical Aftercare - High	Early - Institutional	0	1.3677	4
2GC21	MMTA - Surgical Aftercare - High	Early - Institutional	1	1.4236	4
2GC31	MMTA - Surgical Aftercare - High	Early - Institutional	2	1.5831	4
3GC11	MMTA - Surgical Aftercare - High	Late - Community	0	0.7885	2
3GC21	MMTA - Surgical Aftercare - High	Late - Community	1	0.8445	2
3GC31	MMTA - Surgical Aftercare - High	Late - Community	2	1.004	2
4GC11	MMTA - Surgical Aftercare - High	Late - Institutional	0	1.2773	3
4GC21	MMTA - Surgical Aftercare - High	Late - Institutional	1	1.3332	3
4GC31	MMTA - Surgical Aftercare - High	Late - Institutional	2	1.4928	4
1GA11	MMTA - Surgical Aftercare - Low	Early - Community	0	0.8984	2
1GA21	MMTA - Surgical Aftercare - Low	Early - Community	1	0.9543	2
1GA31	MMTA - Surgical Aftercare - Low	Early - Community	2	1.1139	2
2GA11	MMTA - Surgical Aftercare - Low	Early - Institutional	0	1.1148	3
2GA21	MMTA - Surgical Aftercare - Low	Early - Institutional	1	1.1707	3
2GA31	MMTA - Surgical Aftercare - Low	Early - Institutional	2	1.3303	4
3GA11	MMTA - Surgical Aftercare - Low	Late - Community	0	0.5357	2
3GA21	MMTA - Surgical Aftercare - Low	Late - Community	1	0.5916	2
3GA31	MMTA - Surgical Aftercare - Low	Late - Community	2	0.7511	2
4GA11	MMTA - Surgical Aftercare - Low	Late - Institutional	0	1.0244	3
4GA21	MMTA - Surgical Aftercare - Low	Late - Institutional	1	1.0804	3
4GA31	MMTA - Surgical Aftercare - Low	Late - Institutional	2	1.2399	3
1GB11	MMTA - Surgical Aftercare - Medium	Early - Community	0	1.0243	2
1GB21	MMTA - Surgical Aftercare - Medium	Early - Community	1	1.0802	2
1GB31	MMTA - Surgical Aftercare - Medium	Early - Community	2	1.2398	2
2GB11	MMTA - Surgical Aftercare - Medium	Early - Institutional	0	1.2407	4
2GB21	MMTA - Surgical Aftercare - Medium	Early - Institutional	1	1.2966	4
2GB31	MMTA - Surgical Aftercare - Medium	Early - Institutional	2	1.4562	5

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3GB11	MMTA - Surgical Aftercare - Medium	Late - Community	0	0.6616	2
3GB21	MMTA - Surgical Aftercare - Medium	Late - Community	1	0.7175	2
3GB31	MMTA - Surgical Aftercare - Medium	Late - Community	2	0.877	2
4GB11	MMTA - Surgical Aftercare - Medium	Late - Institutional	0	1.1503	3
4GB21	MMTA - Surgical Aftercare - Medium	Late - Institutional	1	1.2062	3
4GB31	MMTA - Surgical Aftercare - Medium	Late - Institutional	2	1.3658	4
1EC11	MS Rehab - High	Early - Community	0	1.2044	5
1EC21	MS Rehab - High	Early - Community	1	1.2603	4
1EC31	MS Rehab - High	Early - Community	2	1.4199	4
2EC11	MS Rehab - High	Early - Institutional	0	1.4208	5
2EC21	MS Rehab - High	Early - Institutional	1	1.4767	5
2EC31	MS Rehab - High	Early - Institutional	2	1.6362	5
3EC11	MS Rehab - High	Late - Community	0	0.8416	2
3EC21	MS Rehab - High	Late - Community	1	0.8976	2
3EC31	MS Rehab - High	Late - Community	2	1.0571	3
4EC11	MS Rehab - High	Late - Institutional	0	1.3304	4
4EC21	MS Rehab - High	Late - Institutional	1	1.3863	4
4EC31	MS Rehab - High	Late - Institutional	2	1.5459	4
1EA11	MS Rehab - Low	Early - Community	0	0.9906	4
1EA21	MS Rehab - Low	Early - Community	1	1.0465	4
1EA31	MS Rehab - Low	Early - Community	2	1.2061	4
2EA11	MS Rehab - Low	Early - Institutional	0	1.207	5
2EA21	MS Rehab - Low	Early - Institutional	1	1.2629	5
2EA31	MS Rehab - Low	Early - Institutional	2	1.4225	5
3EA11	MS Rehab - Low	Late - Community	0	0.6279	2
3EA21	MS Rehab - Low	Late - Community	1	0.6838	2
3EA31	MS Rehab - Low	Late - Community	2	0.8433	2
4EA11	MS Rehab - Low	Late - Institutional	0	1.1166	4
4EA21	MS Rehab - Low	Late - Institutional	1	1.1725	4
4EA31	MS Rehab - Low	Late - Institutional	2	1.3321	4
1EB11	MS Rehab - Medium	Early - Community	0	1.066	5
1EB21	MS Rehab - Medium	Early - Community	1	1.1219	4
1EB31	MS Rehab - Medium	Early - Community	2	1.2814	4
2EB11	MS Rehab - Medium	Early - Institutional	0	1.2824	5
2EB21	MS Rehab - Medium	Early - Institutional	1	1.3383	5
2EB31	MS Rehab - Medium	Early - Institutional	2	1.4978	5

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3EB11	MS Rehab - Medium	Late - Community	0	0.7032	2
3EB21	MS Rehab - Medium	Late - Community	1	0.7591	2
3EB31	MS Rehab - Medium	Late - Community	2	0.9187	2
4EB11	MS Rehab - Medium	Late - Institutional	0	1.192	4
4EB21	MS Rehab - Medium	Late - Institutional	1	1.2479	4
4EB31	MS Rehab - Medium	Late - Institutional	2	1.4074	5
1BC11	Neuro - High	Early - Community	0	1.3286	4
1BC21	Neuro - High	Early - Community	1	1.3845	4
1BC31	Neuro - High	Early - Community	2	1.5441	4
2BC11	Neuro - High	Early - Institutional	0	1.545	5
2BC21	Neuro - High	Early - Institutional	1	1.6009	5
2BC31	Neuro - High	Early - Institutional	2	1.7605	5
3BC11	Neuro - High	Late - Community	0	0.9659	2
3BC21	Neuro - High	Late - Community	1	1.0218	3
3BC31	Neuro - High	Late - Community	2	1.1813	3
4BC11	Neuro - High	Late - Institutional	0	1.4546	4
4BC21	Neuro - High	Late - Institutional	1	1.5105	4
4BC31	Neuro - High	Late - Institutional	2	1.6701	4
1BA11	Neuro - Low	Early - Community	0	1.0834	4
1BA21	Neuro - Low	Early - Community	1	1.1394	4
1BA31	Neuro - Low	Early - Community	2	1.2989	4
2BA11	Neuro - Low	Early - Institutional	0	1.2998	4
2BA21	Neuro - Low	Early - Institutional	1	1.3558	4
2BA31	Neuro - Low	Early - Institutional	2	1.5153	5
3BA11	Neuro - Low	Late - Community	0	0.7207	2
3BA21	Neuro - Low	Late - Community	1	0.7766	2
3BA31	Neuro - Low	Late - Community	2	0.9362	2
4BA11	Neuro - Low	Late - Institutional	0	1.2094	4
4BA21	Neuro - Low	Late - Institutional	1	1.2654	4
4BA31	Neuro - Low	Late - Institutional	2	1.4249	4
1BB11	Neuro - Medium	Early - Community	0	1.196	4
1BB21	Neuro - Medium	Early - Community	1	1.2519	4
1BB31	Neuro - Medium	Early - Community	2	1.4115	4
2BB11	Neuro - Medium	Early - Institutional	0	1.4124	5
2BB21	Neuro - Medium	Early - Institutional	1	1.4683	5
2BB31	Neuro - Medium	Early - Institutional	2	1.6278	5

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3BB11	Neuro - Medium	Late - Community	0	0.8332	2
3BB21	Neuro - Medium	Late - Community	1	0.8892	2
3BB31	Neuro - Medium	Late - Community	2	1.0487	2
4BB11	Neuro - Medium	Late - Institutional	0	1.322	4
4BB21	Neuro - Medium	Late - Institutional	1	1.3779	4
4BB31	Neuro - Medium	Late - Institutional	2	1.5375	4
1CC11	Wound - High	Early - Community	0	1.5043	4
1CC21	Wound - High	Early - Community	1	1.5602	4
1CC31	Wound - High	Early - Community	2	1.7197	4
2CC11	Wound - High	Early - Institutional	0	1.7206	5
2CC21	Wound - High	Early - Institutional	1	1.7766	4
2CC31	Wound - High	Early - Institutional	2	1.9361	4
3CC11	Wound - High	Late - Community	0	1.1415	3
3CC21	Wound - High	Late - Community	1	1.1974	3
3CC31	Wound - High	Late - Community	2	1.357	3
4CC11	Wound - High	Late - Institutional	0	1.6303	4
4CC21	Wound - High	Late - Institutional	1	1.6862	4
4CC31	Wound - High	Late - Institutional	2	1.8457	4
1CA11	Wound - Low	Early - Community	0	1.2696	4
1CA21	Wound - Low	Early - Community	1	1.3255	4
1CA31	Wound - Low	Early - Community	2	1.485	4
2CA11	Wound - Low	Early - Institutional	0	1.486	4
2CA21	Wound - Low	Early - Institutional	1	1.5419	4
2CA31	Wound - Low	Early - Institutional	2	1.7014	4
3CA11	Wound - Low	Late - Community	0	0.9068	2
3CA21	Wound - Low	Late - Community	1	0.9628	3
3CA31	Wound - Low	Late - Community	2	1.1223	3
4CA11	Wound - Low	Late - Institutional	0	1.3956	3
4CA21	Wound - Low	Late - Institutional	1	1.4515	4
4CA31	Wound - Low	Late - Institutional	2	1.611	4
1CB11	Wound - Medium	Early - Community	0	1.3754	4
1CB21	Wound - Medium	Early - Community	1	1.4314	4
1CB31	Wound - Medium	Early - Community	2	1.5909	4
2CB11	Wound - Medium	Early - Institutional	0	1.5918	5
2CB21	Wound - Medium	Early - Institutional	1	1.6477	5
2CB31	Wound - Medium	Early - Institutional	2	1.8073	5

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3CB11	Wound - Medium	Late - Community	0	1.0127	3
3CB21	Wound - Medium	Late - Community	1	1.0686	3
3CB31	Wound - Medium	Late - Community	2	1.2282	3
4CB11	Wound - Medium	Late - Institutional	0	1.5014	4
4CB21	Wound - Medium	Late - Institutional	1	1.5574	4
4CB31	Wound - Medium	Late - Institutional	2	1.7169	4

**Proposal to Rebase and Revise the Home Health Market Basket and Revise the Labor-Related Share (Pages 84-108)**

CMS is proposing to rebase and revise the home health market basket to reflect a 2021 base year.

As a result of the proposed rebasing and revisions of the home health market basket, the proposed CY 2024 labor-related share is 74.9 percent. The current labor-related share is 76.1 percent.

**Proposed CY 2024 Home Health Payment Rate Updates**

**Market Basket**

The proposed CY 2024 home health market basket percentage increase is 3.0 percent based on the proposed 2021-based home health market basket. (Page 108)

**Proposed CY 2024 Productivity Adjustment (Page 109)**

Based on IGI’s first quarter 2023 forecast, the proposed productivity adjustment for the period ending December 31, 2024 for CY 2024 is -0.3 percent.

Therefore, the proposed CY 2024 home health payment update percentage is 2.7 percent (3.0 percent market basket percentage increase, reduced by 0.3 percentage point productivity adjustment).

**Proposed CY 2024 Home Health Wage Index (Page 112)**

For CY 2024, CMS proposes to base the HH PPS wage index on the FY 2024 hospital pre-floor, pre-reclassified wage index for hospital cost reporting periods beginning on or after October 1, 2019 and before October 1, 2020 (FY 2020 cost report data). The proposed CY 2024 HH PPS wage index would not take into account any geographic reclassification of hospitals, including those in accordance with section 1886(d)(8)(B) or 1886(d)(10) of the Act but would include the 5-percent cap on wage index decreases.

The proposed CY 2024 wage index is available on the CMS website at:  
<https://www.cms.gov/Center/Provider-Type/Home-Health-Agency-HHA-Center>.

**Proposed CY 2024 Home Health Payment Update (Page 116)**

CMS is proposing to implement a permanent behavior adjustment of -5.653 percent to ensure that payments under the PDGM do not exceed what payments would have been under the 153-group payment system as required by law. The proposed permanent behavior adjustment factor is 0.94347 (100.000-5.653)

The proposed case-mix weight budget neutrality factor for CY 2024 is 1.0121.

**Proposed CY 2024 National, Standardized 30-Day Period Payment Amount (Page 119)**

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

CY 2023 National Standardized 30-Day Period Payment	Permanent Behavioral Adjustment Factor	Case-Mix Weights Budget Neutrality Factor	Wage Index Budget Neutrality Factor	Labor Related Share Budget Neutrality Factor	CY 2024 HH Payment Update	CY 2023 National, Standardized 30-Day Period Payment
\$2,010.69	0.94347	1.0121	1.0015	0.9998	1.027	<b>\$1974.38</b>

The current rate is \$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 2023 National Standardized 30-Day Period Payment	Permanent Behavioral Adjustment Factor	Case-Mix Weights Budget Neutrality Factor	Wage Index Budget Neutrality Factor	Labor Related Share Budget Neutrality Factor	CY 2024 HH Payment Update	CY 2023 National, Standardized 30-Day Period Payment
\$2,010.69	0.94347	1.0121	1.0015	0.9998	1.007	<b>\$1935.93</b>

**Proposed CY 2024 National Per-Visit Payment Amounts Rates (Page 122)**

For HHAs that do not submit quality data, the update is 1.007 percent.

## Proposed CY 2024 National Per-Visit Payment Amounts

HH Discipline	CY 2023 Per-Visit Payment Amount	Wage Index Budget Neutrality Factor	Labor-Related Share Budget Neutrality Factor	CY 2024HH Payment Update Factor	CY 2024 Per-Visit Payment Amount
Home Health Aide	\$73.93	1.0015	0.9999	1.0270	\$76.03
Medical Social Services	\$261.72	1.0015	0.9999	1.0270	\$269.16
Occupational Therapy	\$179.70	1.0015	0.9999	1.0270	\$184.81
Physical Therapy	\$178.47	1.0015	0.9999	1.0270	\$183.55
Skilled Nursing	\$163.29	1.0015	0.9999	1.0270	\$167.93
Speech-Language Pathology	\$194.00	1.0015	0.9999	1.0270	\$199.52

### **Proposed LUPA Add-On Factors** (Page 122)

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 following add-on factors (1.8451 for SN, 1.6700 for PT, and 1.6266 for SLP).

### **Payments for High-Cost Outliers** (Page 124)

CMS estimated that outlier payments would be approximately 1.8 percent of total HH PPS final rule payments if it maintained an Fixed Dollar Loss (FDL) of 0.56 in CY 2022. Therefore, in order to pay up to, but no more than, 2.5 percent of total payments as outlier payments CMS finalized an FDL of 0.40 for CY 2022. In the CY 2023 HH PPS final rule, using CY 2021 claims utilization data, CMS finalized an FDL of 0.35 in order to pay up to, but no more than, 2.5 percent of the total payment as outlier payments in CY 2023.

CMS is proposing an FDL ratio of 0.31 for CY 2024.

### **Proposal for Disposable Negative Pressure Wound Therapy** (Page 126)

Division FF, section 4136 of the CAA, 2023 amends section 1834 of the Act (42 U.S.C. 1395m(s)), and mandates several amendments to the Medicare separate payment for dNPWT devices beginning in CY 2024.

CMS is proposing that the payment amount for CY 2024 would be equal to the supply price of the applicable disposable device under the Medicare PFS (as of January 1, 2022) updated by the specified adjustment as mandated by the CAA.

The supply price of an applicable disposable device under the Medicare PFS for January 1, 2022 is \$263.25. Therefore, the payment amount for CY 2024 would be set equal to the amount of \$263.25,

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updated by the percent increase in the CPI-U for the 12-month period ending in June of 2023 minus the productivity adjustment. CMS notes these factors were not available at this time.

### **Proposed Home Health Quality Reporting Program (HH QRP) (Page 133)**

The HH QRP currently includes 20 measures for the CY 2023 program year. Refer rule's table C-1 (Page 135) for the list.

CMS is proposing to adopt the Discharge Function Score (DC Function) measure beginning with the CY 2025 HH QRP. (Page 142) This measure would replace the topped-out, cross-setting Application of Functional Assessment/Care Plan process measure.

CMS is proposing to remove the "Application of Percent of Long-Term Care Hospital Patients with an Admission and Discharge Functional Assessment and a Care Plan That Addresses Function" (Application of Functional Assessment/Care Plan) measure beginning with the CY 2025 HH QRP. (Page 152)

CMS is proposing to adopt the COVID-19 Vaccine: Percent of Patients/Residents who are Up to Date (Patient/Resident COVID-19 Vaccine) measure beginning with the CY 2025 HH QRP. (Page 158)

CMS plans to remove two OASIS items, the M0110 – Episode Timing and M2220- Therapy Needs effective January 1, 2025. (Page 166)

CMS is proposing to begin publicly displaying data for the DC Function measure beginning with the January 2025 refresh of Care Compare, or as soon as technically feasible, using data collected from April 1, 2023 through March 31, 2024 (Page 167)

CMS is proposing to begin publicly displaying data for the measures: (1) Transfer of Health (TOH) Information to the Provider—Post-Acute Care (PAC) Measure (TOH-Provider); and (2) Transfer of Health (TOH) Information to the Patient—Post-Acute Care (PAC) Measure (TOH-Patient) beginning with the January 2025 Care Compare refresh or as soon as technically feasible. (Page 168)

CMS is proposing to begin publicly displaying data for the COVID-19 Vaccine: Percent of Patients/Residents Who Are Up to Date measure beginning with the January 2026 refresh of Care Compare or as soon as technically feasible using data collected for Q2 2024 (Page 169)

### **Comment**

This section consumes some 50 pages. There additional items such reporting details that have not been reflected above.

For the CY 2023 program year, 820 of the 11,549 active Medicare-certified HHAs, or approximately 7.1 percent, did not receive the full annual percentage increase because they did not meet assessment submission requirements. The 820 HHAs that did not satisfy the reporting requirements of the HH QRP for the CY 2023 program year represent \$149 million in home health claims payment dollars during the reporting period out of a total \$16.4 billion for all HHAs.

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## **Proposed Changes to Expand The Home Health Value-Based Purchasing (HHVBP) Model** (Page 183)

CMS is proposing to remove five quality measures from the current applicable measure set and add three quality measures to the applicable measure set.

CMS is proposing to:

- Codify in the Code of Federal Regulations the measure removal factors finalized in the CY 2022 HH PPS final rule;
- Replace the two Total Normalized Composite Measures (for Self-Care and Mobility) with the Discharge Function Score measure effective January 1, 2025;
- Replace the OASIS-based Discharge to Community (DTC) measure with the claims-based Discharge to Community-Post Acute Care (PAC) Measure for Home Health Agencies effective, January 1, 2025;
- Replace the claims-based Acute Care Hospitalization During the First 60 Days of Home Health Use and the Emergency Department Use without Hospitalization During the First 60 Days of Home Health measures with the claims-based the Potentially Preventable Hospitalization measure effective January 1, 2025;
- Change the weights of individual measures due to the change in the total number of measures; and,
- Beginning with performance year CY 2025, update the Model baseline year to CY 2023 for all applicable measures in the proposed measure set, including those measures included in the current measure set with the exception of the 2-year DTC-PAC measure, which would be CY 2022 and CY 2023.

## **Medicare Home Intravenous Immune Globulin (IVIG) Items and Services** (Page 212)

Division FF, section 4134 of the CAA, 2023 added coverage and payment of items and services related to administration of IVIG in a patient's home of a patient with a diagnosed primary immune deficiency disease furnished on or after January 1, 2024.

CMS says it believes setting the CY 2024 payment rate for the home IVIG items and services based on the CY 2023 payment amount established under the Demonstration (\$408.23) is appropriate.

CMS proposes to update the CY 2023 IVIG services rate by only the CY 2024 home health payment rate update percentage and not include the wage index budget neutrality factor, as the IVIG items and services payment rate is not statutorily required to be geographically wage adjusted. The proposed home IVIG items and services payment rate for CY 2024 would be  $\$408.23 \times 1.027 = \$419.25$ .

(Page 225)

## **Hospice Informal Dispute Resolution and Special Focus Program** (Page 227)

The provisions in the CAA, 2021 direct the Secretary to create a Special Focus Program (SFP) for poor-performing hospice programs. CMS is proposing that the hospice SFP will commence as of the effective date of the rule, and it anticipates selecting SFP hospices in CY 2024.

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CMS proposes to add four new definitions to §488.1105, that would define the hospice SFP, IDR, SFP status, and SFP survey. The definitions proposed for hospice programs are as follows:

- Hospice Special Focus Program (SFP) means a program conducted by CMS to identify hospices as poor performers, based on defined quality indicators, in which CMS selects hospices for increased oversight to ensure that they meet Medicare requirements. Selected hospices either successfully complete the SFP program or are terminated from the Medicare program.
- IDR stands for informal dispute resolution.
- SFP status means the status of a hospice provider in the SFP with respect to the provider's standing in the SFP, which is indicated by one of the following status levels: Level 1 – in progress; Level 2 – completed successfully; or Level 3 – terminated from the Medicare program.
- SFP survey refers to a standard survey as defined in § 488.1105 and is performed after a hospice is selected for the SFP and is conducted every 6 months, up to three occurrences.

CMS proposes to identify a subset of 10 percent of hospice programs based on the highest aggregate scores determined by the algorithm.

### **Proposed Changes Regarding Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) (Page 251)**

Section 4139 of Division FF, Title IV, Subtitle D of the CAA, 2023 sets the fee schedule adjustment methodologies for non-competitive bidding areas through the remainder of the duration of the emergency period described in section 1135(g)(1)(B) of the Act or December 31, 2023, whichever is later. The federal PHE for COVID-19, declared by the Secretary under Section 319 of the Public Health Service Act, expired at the end of the day on May 11, 2023. CMS is proposing to make conforming changes to the regulation at 42 CFR 414.210(g)(9) to account for these changes. (Page 257)

### **Scope of the Benefit and Payment for Lymphedema Compression Treatment Items (Page 260)**

Effective for items furnished on or after January 1, 2024, section 4133(a)(1) of Division FF, Title V, Subtitle D of the CAA, 2023 amends section 1861 of the Act, adding subparagraph (JJ) to subsection (s)(2) and coverage under a new benefit category under Medicare Part B for lymphedema compression treatment items as defined in new subsection (mmm) of section 1861 of the Act.

CMS is proposing to use the average Medicaid payment rate plus twenty percent as the payment basis for Medicare (when such Medicaid rates are available).

### **Comment**

CMS spends considerable time detailing changes for this item – approximately 30 pages.

### **Definition of Brace (Page 289)**

CMS is proposing to amend the regulations at 42 CFR 410.2 to add the definition of brace to improve clarity and transparency regarding coverage and payment for the term brace as defined in section 1861(s)(9) of the Act. (Page 294)



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### **DMEPOS Refill Policy (Page 301)**

CMS is proposing to require documentation indicating that the beneficiary confirmed the need for the refill within the 30-day period prior to the end of the current supply. Additionally, CMS is proposing to codify the requirement that delivery of DMEPOS items (that is, date of service) be no sooner than 10 calendar days before the expected end of the current supply.

### **Final Thoughts and Comments**

Last year CMS' behavioral decrease amounted to \$635 million This year it's \$870 million. These reductions -- \$1.5 billion -- in overall HH payments are cause for major concern. Yes, the requirement to do such is embedded in the statute.

It is obvious that CMS' original estimates of adopting the PDGM in a budget neutrality was significantly in error. This raises questions of other CMS estimates. While CMS says it is "correcting" the PDGM issue, what about other estimates like the area wage index. It's time for CMS to account for all its estimates in a similar fashion.

There is much detail in the proposal that has not been specifically addressed in this analysis.