

Issue Brief

FEDERAL ISSUE BRIEF • November 6, 2017

KEY POINTS

- The rule updates the HH PPS payment rates, including the national, standardized 60-day episode payment rates, the national per-visit rates and the non-routine medical supply conversion factor.
- CMS is not, as proposed, finalizing the implementation of the Home Health Groupings Model.

CMS Publishes Final Home Health Update for CY 2018

The Centers for Medicare and Medicaid Services issued a final calendar year 2018 update to the home health prospective payment system.

The 258-page rule is currently on display at the *Federal Register* at: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-23935.pdf>. Publication is slated for Tuesday, Nov. 7.

The rule updates the HH PPS payment rates, including the national, standardized 60-day episode payment rates, the national per-visit rates and the non-routine medical supply conversion factor.

The rule also: (1) updates the HH PPS case-mix weights; (2) implements the third-year of a three-year reduction to the national, standardized 60-day episode payment to account for estimated case-mix growth unrelated to increases in patient acuity (that is, nominal case-mix growth) between CY 2012 and CY 2014; and (3) addresses CMS' efforts to monitor the potential impacts of the rebasing adjustments that were implemented in CY 2014 through CY 2017.

Further, the rule finalizes changes to the Home Health Value-Based Purchasing Model and to the Home Health Quality Reporting Program.

CMS is not, as proposed, finalizing the implementation of the Home Health Groupings Model.

COMMENT

While CMS is not finalizing its proposed changes to the case-mix system, one should not think the issue is gone. CMS is likely to revisit the issue for CY 2019.

The CY 2018 overall economic impact of the HH PPS payment rate update is an estimated minus \$80 million (-0.4 percent) in payments. The -\$80 million impact reflects the distributional effects of a 0.5 percent reduction in payments due to the sunset of the rural add-on provision (\$100 million decrease), a 1.0 percent home health payment update percentage (\$190 million increase), and a -0.97 percent adjustment to the national, standardized 60-day episode payment rate to account for nominal case-mix growth for an impact of -0.9 percent (\$170 million decrease).

The overall economic impact of the HHVBP Model provision for CY 2018 through 2022 is an estimated \$378 million in total savings from a reduction in "unnecessary hospitalizations and SNF usage as a result of greater quality improvements in the HH industry (none of which is attributable to the changes finalized in this final rule)." As for payments to HHAs, there are no aggregate increases or decreases expected to be applied to the HHAs competing in the model.

Had CMS finalized its revised HHGM, savings were estimated at a minus \$950 million (-4.3 percent) if the refinements were implemented in a non-budget neutral manner.

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continued

1. CY 2018 HH PPS CASE-MIX WEIGHTS

The CY 2018 case-mix weights are shown in the table below. There are 153 weights comprising the home health resource groups.

CY 2018 Case-Mix Payment Weights			
Pay Group	Description	Clinical and Functional Levels 1 = Low; 2 = Medium; 3 = High	CY 2018 Weight
10111	1st and 2nd Episodes, 0 to 5 Therapy Visits	C1F1S1	0.5595
10112	1st and 2nd Episodes, 6 Therapy Visits	C1F1S2	0.6911
10113	1st and 2nd Episodes, 7 to 9 Therapy Visits	C1F1S3	0.8227
10114	1st and 2nd Episodes, 10 Therapy Visits	C1F1S4	0.9543
10115	1st and 2nd Episodes, 11 to 13 Therapy Visits	C1F1S5	1.0859
10121	1st and 2nd Episodes, 0 to 5 Therapy Visits	C1F2S1	0.6640
10122	1st and 2nd Episodes, 6 Therapy Visits	C1F2S2	0.7832
10123	1st and 2nd Episodes, 7 to 9 Therapy Visits	C1F2S3	0.9025
10124	1st and 2nd Episodes, 10 Therapy Visits	C1F2S4	1.0217
10125	1st and 2nd Episodes, 11 to 13 Therapy Visits	C1F2S5	1.1409
10131	1st and 2nd Episodes, 0 to 5 Therapy Visits	C1F3S1	0.7139
10132	1st and 2nd Episodes, 6 Therapy Visits	C1F3S2	0.8302
10133	1st and 2nd Episodes, 7 to 9 Therapy Visits	C1F3S3	0.9466
10134	1st and 2nd Episodes, 10 Therapy Visits	C1F3S4	1.0629
10135	1st and 2nd Episodes, 11 to 13 Therapy Visits	C1F3S5	1.1792
10211	1st and 2nd Episodes, 0 to 5 Therapy Visits	C2F1S1	0.5948
10212	1st and 2nd Episodes, 6 Therapy Visits	C2F1S2	0.7325
10213	1st and 2nd Episodes, 7 to 9 Therapy Visits	C2F1S3	0.8703
10214	1st and 2nd Episodes, 10 Therapy Visits	C2F1S4	1.0080
10215	1st and 2nd Episodes, 11 to 13 Therapy Visits	C2F1S5	1.1457
10221	1st and 2nd Episodes, 0 to 5 Therapy Visits	C2F2S1	0.6994
10222	1st and 2nd Episodes, 6 Therapy Visits	C2F2S2	0.8247
10223	1st and 2nd Episodes, 7 to 9 Therapy Visits	C2F2S3	0.9500
10224	1st and 2nd Episodes, 10 Therapy Visits	C2F2S4	1.0753
10225	1st and 2nd Episodes, 11 to 13 Therapy Visits	C2F2S5	1.2007
10231	1st and 2nd Episodes, 0 to 5 Therapy Visits	C2F3S1	0.7493
10232	1st and 2nd Episodes, 6 Therapy Visits	C2F3S2	0.8717
10233	1st and 2nd Episodes, 7 to 9 Therapy Visits	C2F3S3	0.9941
10234	1st and 2nd Episodes, 10 Therapy Visits	C2F3S4	1.1166
10235	1st and 2nd Episodes, 11 to 13 Therapy Visits	C2F3S5	1.2390
10311	1st and 2nd Episodes, 0 to 5 Therapy Visits	C3F1S1	0.6374
10312	1st and 2nd Episodes, 6 Therapy Visits	C3F1S2	0.7902
10313	1st and 2nd Episodes, 7 to 9 Therapy Visits	C3F1S3	0.9429
10314	1st and 2nd Episodes, 10 Therapy Visits	C3F1S4	1.0957
10315	1st and 2nd Episodes, 11 to 13 Therapy Visits	C3F1S5	1.2484

CY 2018 Case-Mix Payment Weights

Pay Group	Description	Clinical and Functional Levels 1 = Low; 2 = Medium; 3 = High	CY 2018 Weight
10321	1st and 2nd Episodes, 0 to 5 Therapy Visits	C3F2S1	0.7420
10322	1st and 2nd Episodes, 6 Therapy Visits	C3F2S2	0.8823
10323	1st and 2nd Episodes, 7 to 9 Therapy Visits	C3F2S3	1.0227
10324	1st and 2nd Episodes, 10 Therapy Visits	C3F2S4	1.1630
10325	1st and 2nd Episodes, 11 to 13 Therapy Visits	C3F2S5	1.3034
10331	1st and 2nd Episodes, 0 to 5 Therapy Visits	C3F3S1	0.7919
10332	1st and 2nd Episodes, 6 Therapy Visits	C3F3S2	0.9293
10333	1st and 2nd Episodes, 7 to 9 Therapy Visits	C3F3S3	1.0668
10334	1st and 2nd Episodes, 10 Therapy Visits	C3F3S4	1.2042
10335	1st and 2nd Episodes, 11 to 13 Therapy Visits	C3F3S5	1.3417
21111	1st and 2nd Episodes, 14 to 15 Therapy Visits	C1F1S1	1.2176
21112	1st and 2nd Episodes, 16 to 17 Therapy Visits	C1F1S2	1.3807
21113	1st and 2nd Episodes, 18 to 19 Therapy Visits	C1F1S3	1.5439
21121	1st and 2nd Episodes, 14 to 15 Therapy Visits	C1F2S1	1.2601
21122	1st and 2nd Episodes, 16 to 17 Therapy Visits	C1F2S2	1.4213
21123	1st and 2nd Episodes, 18 to 19 Therapy Visits	C1F2S3	1.5826
21131	1st and 2nd Episodes, 14 to 15 Therapy Visits	C1F3S1	1.2955
21132	1st and 2nd Episodes, 16 to 17 Therapy Visits	C1F3S2	1.4600
21133	1st and 2nd Episodes, 18 to 19 Therapy Visits	C1F3S3	1.6244
21211	1st and 2nd Episodes, 14 to 15 Therapy Visits	C2F1S1	1.2835
21212	1st and 2nd Episodes, 16 to 17 Therapy Visits	C2F1S2	1.4598
21213	1st and 2nd Episodes, 18 to 19 Therapy Visits	C2F1S3	1.6361
21221	1st and 2nd Episodes, 14 to 15 Therapy Visits	C2F2S1	1.3260
21222	1st and 2nd Episodes, 16 to 17 Therapy Visits	C2F2S2	1.5004
21223	1st and 2nd Episodes, 18 to 19 Therapy Visits	C2F2S3	1.6748
21231	1st and 2nd Episodes, 14 to 15 Therapy Visits	C2F3S1	1.3614
21232	1st and 2nd Episodes, 16 to 17 Therapy Visits	C2F3S2	1.5390
21233	1st and 2nd Episodes, 18 to 19 Therapy Visits	C2F3S3	1.7166
21311	1st and 2nd Episodes, 14 to 15 Therapy Visits	C3F1S1	1.4012
21312	1st and 2nd Episodes, 16 to 17 Therapy Visits	C3F1S2	1.6188
21313	1st and 2nd Episodes, 18 to 19 Therapy Visits	C3F1S3	1.8364
21321	1st and 2nd Episodes, 14 to 15 Therapy Visits	C3F2S1	1.4437
21322	1st and 2nd Episodes, 16 to 17 Therapy Visits	C3F2S2	1.6594
21323	1st and 2nd Episodes, 18 to 19 Therapy Visits	C3F2S3	1.8751
21331	1st and 2nd Episodes, 14 to 15 Therapy Visits	C3F3S1	1.4791
21332	1st and 2nd Episodes, 16 to 17 Therapy Visits	C3F3S2	1.6981
21333	1st and 2nd Episodes, 18 to 19 Therapy Visits	C3F3S3	1.9170
22111	3rd+ Episodes, 14 to 15 Therapy Visits	C1F1S1	1.2328
22112	3rd+ Episodes, 16 to 17 Therapy Visits	C1F1S2	1.3909
22113	3rd+ Episodes, 18 to 19 Therapy Visits	C1F1S3	1.5489
22121	3rd+ Episodes, 14 to 15 Therapy Visits	C1F2S1	1.2619

CY 2018 Case-Mix Payment Weights

Pay Group	Description	Clinical and Functional Levels 1 = Low; 2 = Medium; 3 = High	CY 2018 Weight
22122	3rd+ Episodes, 16 to 17 Therapy Visits	C1F2S2	1.4225
22123	3rd+ Episodes, 18 to 19 Therapy Visits	C1F2S3	1.5832
22131	3rd+ Episodes, 14 to 15 Therapy Visits	C1F3S1	1.3088
22132	3rd+ Episodes, 16 to 17 Therapy Visits	C1F3S2	1.4688
22133	3rd+ Episodes, 18 to 19 Therapy Visits	C1F3S3	1.6288
22211	3rd+ Episodes, 14 to 15 Therapy Visits	C2F1S1	1.2860
22212	3rd+ Episodes, 16 to 17 Therapy Visits	C2F1S2	1.4615
22213	3rd+ Episodes, 18 to 19 Therapy Visits	C2F1S3	1.6369
22221	3rd+ Episodes, 14 to 15 Therapy Visits	C2F2S1	1.3151
22222	3rd+ Episodes, 16 to 17 Therapy Visits	C2F2S2	1.4931
22223	3rd+ Episodes, 18 to 19 Therapy Visits	C2F2S3	1.6712
22231	3rd+ Episodes, 14 to 15 Therapy Visits	C2F3S1	1.3620
22232	3rd+ Episodes, 16 to 17 Therapy Visits	C2F3S2	1.5394
22233	3rd+ Episodes, 18 to 19 Therapy Visits	C2F3S3	1.7168
22311	3rd+ Episodes, 14 to 15 Therapy Visits	C3F1S1	1.4951
22312	3rd+ Episodes, 16 to 17 Therapy Visits	C3F1S2	1.6814
22313	3rd+ Episodes, 18 to 19 Therapy Visits	C3F1S3	1.8677
22321	3rd+ Episodes, 14 to 15 Therapy Visits	C3F2S1	1.5241
22322	3rd+ Episodes, 16 to 17 Therapy Visits	C3F2S2	1.7130
22323	3rd+ Episodes, 18 to 19 Therapy Visits	C3F2S3	1.9019
22331	3rd+ Episodes, 14 to 15 Therapy Visits	C3F3S1	1.5710
22332	3rd+ Episodes, 16 to 17 Therapy Visits	C3F3S2	1.7593
22333	3rd+ Episodes, 18 to 19 Therapy Visits	C3F3S3	1.9476
30111	3rd+ Episodes, 0 to 5 Therapy Visits	C1F1S1	0.4557
30112	3rd+ Episodes, 6 Therapy Visits	C1F1S2	0.6111
30113	3rd+ Episodes, 7 to 9 Therapy Visits	C1F1S3	0.7666
30114	3rd+ Episodes, 10 Therapy Visits	C1F1S4	0.9220
30115	3rd+ Episodes, 11 to 13 Therapy Visits	C1F1S5	1.0774
30121	3rd+ Episodes, 0 to 5 Therapy Visits	C1F2S1	0.5407
30122	3rd+ Episodes, 6 Therapy Visits	C1F2S2	0.6850
30123	3rd+ Episodes, 7 to 9 Therapy Visits	C1F2S3	0.8292
30124	3rd+ Episodes, 10 Therapy Visits	C1F2S4	0.9734
30125	3rd+ Episodes, 11 to 13 Therapy Visits	C1F2S5	1.1177
30131	3rd+ Episodes, 0 to 5 Therapy Visits	C1F3S1	0.5856
30132	3rd+ Episodes, 6 Therapy Visits	C1F3S2	0.7303
30133	3rd+ Episodes, 7 to 9 Therapy Visits	C1F3S3	0.8749
30134	3rd+ Episodes, 10 Therapy Visits	C1F3S4	1.0195
30135	3rd+ Episodes, 11 to 13 Therapy Visits	C1F3S5	1.1642
30211	3rd+ Episodes, 0 to 5 Therapy Visits	C2F1S1	0.4802
30212	3rd+ Episodes, 6 Therapy Visits	C2F1S2	0.6414
30213	3rd+ Episodes, 7 to 9 Therapy Visits	C2F1S3	0.8025

CY 2018 Case-Mix Payment Weights

Pay Group	Description	Clinical and Functional Levels 1 = Low; 2 = Medium; 3 = High	CY 2018 Weight
30214	3rd+ Episodes, 10 Therapy Visits	C2F1S4	0.9637
30215	3rd+ Episodes, 11 to 13 Therapy Visits	C2F1S5	1.1249
30221	3rd+ Episodes, 0 to 5 Therapy Visits	C2F2S1	0.5652
30222	3rd+ Episodes, 6 Therapy Visits	C2F2S2	0.7152
30223	3rd+ Episodes, 7 to 9 Therapy Visits	C2F2S3	0.8652
30224	3rd+ Episodes, 10 Therapy Visits	C2F2S4	1.0151
30225	3rd+ Episodes, 11 to 13 Therapy Visits	C2F2S5	1.1651
30231	3rd+ Episodes, 0 to 5 Therapy Visits	C2F3S1	0.6101
30232	3rd+ Episodes, 6 Therapy Visits	C2F3S2	0.7605
30233	3rd+ Episodes, 7 to 9 Therapy Visits	C2F3S3	0.9109
30234	3rd+ Episodes, 10 Therapy Visits	C2F3S4	1.0612
30235	3rd+ Episodes, 11 to 13 Therapy Visits	C2F3S5	1.2116
30311	3rd+ Episodes, 0 to 5 Therapy Visits	C3F1S1	0.5936
30312	3rd+ Episodes, 6 Therapy Visits	C3F1S2	0.7739
30313	3rd+ Episodes, 7 to 9 Therapy Visits	C3F1S3	0.9542
30314	3rd+ Episodes, 10 Therapy Visits	C3F1S4	1.1345
30315	3rd+ Episodes, 11 to 13 Therapy Visits	C3F1S5	1.3148
30321	3rd+ Episodes, 0 to 5 Therapy Visits	C3F2S1	0.6786
30322	3rd+ Episodes, 6 Therapy Visits	C3F2S2	0.8477
30323	3rd+ Episodes, 7 to 9 Therapy Visits	C3F2S3	1.0168
30324	3rd+ Episodes, 10 Therapy Visits	C3F2S4	1.1859
30325	3rd+ Episodes, 11 to 13 Therapy Visits	C3F2S5	1.3550
30331	3rd+ Episodes, 0 to 5 Therapy Visits	C3F3S1	0.7235
30332	3rd+ Episodes, 6 Therapy Visits	C3F3S2	0.8930
30333	3rd+ Episodes, 7 to 9 Therapy Visits	C3F3S3	1.0625
30334	3rd+ Episodes, 10 Therapy Visits	C3F3S4	1.2320
30335	3rd+ Episodes, 11 to 13 Therapy Visits	C3F3S5	1.4015
40111	All Episodes, 20+ Therapy Visits	C1F1S1	1.7070
40121	All Episodes, 20+ Therapy Visits	C1F2S1	1.7438
40131	All Episodes, 20+ Therapy Visits	C1F3S1	1.7888
40211	All Episodes, 20+ Therapy Visits	C2F1S1	1.8124
40221	All Episodes, 20+ Therapy Visits	C2F2S1	1.8492
40231	All Episodes, 20+ Therapy Visits	C2F3S1	1.8942
40311	All Episodes, 20+ Therapy Visits	C3F1S1	2.0540
40321	All Episodes, 20+ Therapy Visits	C3F2S1	2.0908
40331	All Episodes, 20+ Therapy Visits	C3F3S1	2.1359

2. CY 2018 RATE UPDATE

1. CY 2018 Home Health Market Basket Update

Prior to the enactment of the *Medicare Access and CHIP Reauthorization Act of 2015*, the home health update percentage for CY 2018 would have been based on an estimated home health market basket update of 2.5 percent. The estimated 2.5 percent would have been reduced by a Multi Factor Productivity adjustment as mandated by the *Affordable Care Act* (currently estimated to be 0.6 percentage point for CY 2018). In effect, the home health payment update percentage for CY 2018 would have been 1.9 percent.

However, MACRA specifies the home health payment update for CY 2018 to be 1.0 percent. The update would be 2.0 percent less for HHAs that do not submit quality data.

2. CY 2018 Area Wage Index

The CY 2018 wage index is available on the CMS website at: <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/Home-Health-Prospective-Payment-System-Regulations-and-Notices.html>.

3 CY 2018 Annual Payment Update

The CY 2018 labor-related share of the case-mix adjusted 60-day episode rate will continue to be 78.535 percent, and the non-labor-related share will continue to be 21.465 percent.

As noted above, CMS will apply a reduction of 0.97 percent to the national, standardized 60-day episode payment rate in CY 2018 to account for nominal case-mix growth between CY 2012 and CY 2014.

The CY 2018 national, standardized 60-day episode payment rate is calculated as follows.

CY 2018 National, Standardized 60-Day Episode Payment Amount					
CY 2017 National, Standardized 60-Day Episode Payment	Wage Index Budget Neutrality Factor	Case-Mix Weights Budget Neutrality Factor	Nominal Case-Mix Growth Adjustment (1-0.0097)	CY 2018 HH Payment Update	CY 2018 National, Standardized 60-Day Episode Payment
\$2,989.97	X 1.0004	X 1.0160	X 0.9903	X 1.01	\$3,039.64

2018 National, Standardized 60-Day Episode Payment Amount for HHAs that DO NOT Submit the Quality Data					
CY 2017 National, Standardized 60-Day Episode Payment	Wage Index Budget Neutrality Factor	Case-Mix Weights Budget Neutrality Factor	Nominal Case-Mix Growth Adjustment (1-0.0097)	CY 2018 HH Payment Update Minus 2 Percentage Points	CY 2018 National, Standardized 60-Day Episode Payment
\$2,989.97	X 1.0004	X 1.0160	X 0.9903	X 0.99	\$2,979.45

4. CY 2018 National Per-Visit Rates

The national per-visit rates are used to pay the Low-Utilization Payment Adjustment (episodes with four or fewer visits) and to compute imputed costs in outlier calculations. The per-visit rates are paid by type of visit or HH discipline. The six HH disciplines are as follows:

- home health aide
- medical social services
- occupational therapy
- physical therapy
- skilled nursing
- speech-language pathology

CY 2018 National Per-Visit Payment Amounts for HHAs That DO Submit the Required Quality Data				
HH Discipline Type	CY 2017 Per-Visit Payment	Wage Index Budget Neutrality Factor	CY 2018 HH Payment Update	CY 2018 Per-Visit Payment
Home Health Aide	\$64.23	X 1.0010	X 1.01	\$64.94
Medical Social Services	\$227.36	X 1.0010	X 1.01	\$229.86
Occupational Therapy	\$156.11	X 1.0010	X 1.01	\$157.83
Physical Therapy	\$155.05	X 1.0010	X 1.01	\$156.76
Skilled Nursing	\$141.84	X 1.0010	X 1.01	\$143.40
Speech-Language Pathology	\$168.52	X 1.0010	X 1.01	\$170.38

CY 2017 National Per-Visit Payment Amounts for HHAs That DO NOT Submit the Required Quality Data				
HH Discipline Type	CY 2017 Per-Visit Rates	Wage Index Budget Neutrality Factor	CY 2018 HH Payment Update Minus 2 Percentage Points	CY 2018 Per-Visit Rates
Home Health Aide	\$64.23	X 1.0010	X 0.99	\$63.65
Medical Social Services	\$227.36	X 1.0010	X 0.99	\$225.31
Occupational Therapy	\$156.11	X 1.0010	X 0.99	\$154.70
Physical Therapy	\$155.05	X 1.0010	X 0.99	\$153.65
Skilled Nursing	\$141.84	X 1.0010	X 0.99	\$140.56
Speech-Language Pathology	\$168.52	X 1.0010	X 0.99	\$167.00

5. CY 2018 Non-Routine Medical Supply Payment Rates

Payments for NRS are computed by multiplying the relative weight for a particular severity level by the NRS conversion factor.

CY 2018 NRS Conversion Factor for HHAs that DO Submit the Required Quality Data		
CY 2017 NRS Conversion Factor	CY 2018 HH Payment Update	CY 2018 NRS Conversion Factor
\$52.50	X 1.01	\$53.03

CY 2018 NRS Payment Amounts for HHAs that DO Submit the Required Quality Data			
Severity Level	Points (Scoring)	Relative Weight	CY 2017 NRS Payment Amounts
1	0	0.2698	\$14.31
2	1 to 14	0.9742	\$51.66
3	15 to 27	2.6712	\$141.65
4	28 to 48	3.9686	\$210.45
5	49 to 98	6.1198	\$324.53
6	99+	10.5254	\$558.16

For non-quality reporters, see the rule's tables 12 and 13.

6. Rural Add-On

For episodes and visits that end on or after Jan. 1, 2018, the rural add-on payment will no longer apply.

7. Payments for High-Cost Outliers Under the HH PPS

Using more recent data claims data, CMS estimates that outlier payments will, as proposed, constitute approximately 2.47 percent of total HH PPS payments in CY 2018 under CMS' current outlier methodology. Given the statutory requirement to target up to, but no more than, 2.5 percent of total payments as outlier payments, CMS is not proposing a change to the FDL ratio for CY 2018 and would maintain an FDL ratio of 0.55 with a loss-sharing ratio of 0.80.

3. PROVISIONS OF THE HOME HEALTH VALUE-BASED PURCHASING MODEL

Using a randomized selection methodology finalized in the CY 2016 HH PPS final rule, nine states were selected for inclusion in the HHVBP Model, representing each geographic area across the nation. All Medicare-certified HHAs providing services in Arizona, Florida, Iowa, Maryland, Massachusetts, Nebraska, North Carolina, Tennessee and Washington (competing HHAs) are required to compete in the Model.

Beginning in CY 2018 based on performance on applicable measures, CMS will impose payment adjustments. Payment adjustments will increase incrementally over the course of the HHVBP Model in the following manner: (1) A maximum payment adjustment of 3 percent (upward or downward) in CY 2018; (2) a maximum payment adjustment of 5 percent (upward

or downward) in CY 2019; (3) a maximum payment adjustment of 6 percent (upward or downward) in CY 2020; (4) a maximum payment adjustment of 7 percent (upward or downward) in CY 2021 and (5) a maximum payment adjustment of 8 percent (upward or downward) in CY 2022. Payment adjustments will be based on each HHA's Total Performance Score in a given performance year on (1) a set of measures already reported via OASIS and HHCAHPS for all patients serviced by the HHA and select claims data elements and (2) three new measures where points are achieved for reporting data.

CMS will revise the definition of “applicable measure” to specify that HHAs in the HHVBP would have to submit a minimum of 40 completed Home Health Care Consumer Assessment of Healthcare Providers and Systems surveys for purposes of receiving a performance score for any of the HHCAHPS measures (rather than the current number of 20) and to remove the Outcome and Assessment Information Set based measure, Drug Education on All Medications Provided to Patient/Caregiver during all Episodes of Care, from the set of applicable measures.

The revised set of applicable measures is finalized shown in the rule's table 15.

4. UPDATES TO THE HOME HEALTH CARE QUALITY REPORTING PROGRAM

Section 2(a) of the Improving Medicare Post-Acute Care Transformation Act of 2014 requires HHAs, Skilled Nursing Facilities, Inpatient Rehabilitation Facilities and Long-Term Care Hospitals to report: (1) standardized patient assessment data, (2) data on quality measures, and (3) data on resource use and other measures. The data must be standardized and interoperable so as to allow for the exchange of such data among providers. It also requires the modification of the PAC assessment instruments to provide for the submission and comparison of such standardized patient assessment data. CMS says these requirements are intended to enable interoperability as well as improve quality and discharge planning, among other purposes.

CMS will adopt for the CY 2020 payment determination three measures to meet the requirements of the IMPACT Act. These three measures are assessment-based and are calculated using OASIS data. The measures are as follows:

- Changes in Skin Integrity Post-Acute Care: Pressure Ulcer/Injury;
- Application of Percent of Residents Experiencing One or More Falls with Major Injury (NQF # 0674); and
- Application of Percent of Long-Term Care Hospital Patients with an Admission and Discharge Functional Assessment and a Care Plan That Addresses Function (NQF #2631).

To implement the requirement that HHAs report standardized patient assessment data under section 1895(b)(3)(B)(v)(IV)(bb) of the Act, CMS is finalizing that the successful reporting of the data elements used to calculate the pressure ulcer measures (both the current version and, beginning with the CY 2020 program, the newly adopted version) will also satisfy the requirement to report standardized patient assessment data on medical conditions and comorbidities, and that the successful reporting of the data used to calculate the newly finalized functional assessment/care plan measure will also satisfy the requirement to report standardized patient assessment data on functional status.

CMS also is finalizing the adoption of additional functional status data elements that HHAs must report as standardized patient assessment data on the OASIS. After consideration of the public comments, CMS **is not** finalizing proposals that would have required HHAs to report standardized patient assessment data in three other categories: Cognitive Function and Mental Status; Special Services, Treatments and Interventions; and Impairments.

CMS intends to further evaluate how to best identify standardized patient assessment data that satisfies each of these categories, is most appropriate for CMS' intended purposes and can be reported by HHAs in the least burdensome manner. More information on the measures and standardized patient assessment data that CMS is finalizing can be found at <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/HomeHealthQualityInits/HHQIQualityMeasures.html>.

5. REMOVAL OF OASIS ITEMS

CMS is removing 235 data elements from 33 current OASIS items, effective Jan. 1, 2019. CMS says these OASIS items, or data elements within OASIS items, are not needed to calculate quality measures already adopted in the HH QRP or for other purposes unrelated to the HH QRP, including payment, survey, the HH VBP Model or care planning. A list of the items being removed can be found at <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/HomeHealthQualityInits/HHQIQualityMeasures.html>.

The following table identifies the 33 OASIS items.

Data Elements to be Removed from OASIS on Jan. 1, 2019						
OASIS Item	Specific time Point					
	Start of Care	Resumption of Care	Follow-Up	Transfer to an Inpatient Facility	Death at home	Discharge from agency
M0903				1	1	1
M1011	6	6	6			
M1017	6	6				
M1018	6	6				
M1025	12	12	12			
M1034	1	1				
M1036	4	4				
M1210	1	1				
M1220	1	1				
M1230	1	1				1
M1240	1	1				
M1300	1	1				
M1302	1	1				
M1320	1	1				1
M1322						1
M1332						1
M1350	1	1				

Data Elements to be Removed from OASIS on Jan. 1, 2019						
OASIS Item	Specific time Point					
	Start of Care	Resumption of Care	Follow-Up	Transfer to an Inpatient Facility	Death at home	Discharge from agency
M1410	3	3				
M1501				1		1
M1511				5		5
M1610						1
M1615	1	1				1
M1750	1	1				
M1880	1	1				1
M1890	1	1				1
M1900	4	4				
M2030						1
M2040	2	2				
M2102*	6	6				3**
M2110	1	1				
M2250	7	7				
M2310				15***		15***
M2430				20		
TOTAL	70	70	18	42	1	34

* M2102 row f to remain collected at Start of Care, Resumption of Care and Discharge from Agency as part of the HH VBP program.

** M2102 rows a, c and d to remain collected at Discharge from Agency for survey purposes.

*** M2310 responses 1,10,OTH,UK to remain collected at Transfer to an Inpatient Facility and Discharge from Agency for survey purposes.

The HH QRP currently has 23 measures, which are outlined in the rule's table 18.

FINAL COMMENT

Nearly 60 percent of the rule addresses various quality and HH value-based policy issues. Too many items to present in this synopsis.

Finally, as has been said on many occasions regarding these annual updates, Medicare payments are no longer the sole purview of financial experts. Clinical and quality have become overwhelming.

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