Issue Brief

FEDERAL ISSUE BRIEF

Analysis provided for MHA by Larry Goldberg, Goldberg Consulting

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Final Home Health CY 2024 Home Health Prospective Payment System Update Released

The Centers for Medicare & Medicaid Services (CMS) have issued its final calendar year (CY) 2024 update to the home health prospective payment system (HH PPS). The 531-page rule is currently on display at the ***Federal Register.*** A copy is at: https://public-inspection.federalregister.gov/2023-24455.pdf. Publication is scheduled for November 13.

The rule will update Medicare payment policies and rates, adopt 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 rebasing and revising the home health market basket; revising the labor related share; recalibrating the PDGM case-mix weights; updating the low utilization payment adjustment (LUPA) thresholds, functional impairment levels, and comorbidity adjustment sub-groups.

CMS is codifying, statutory requirements for disposable negative pressure wound therapy (dNPWT), and establishing 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 makes changes to the Home Health Quality Reporting Program (HH QRP) requirements and expands the Home Health Value-Based Purchasing (HHVBP) Model resulting from ecent 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 identifies major headings.

CMS provides helpful "final decision" sections.

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 under the HH PPS for CY 2024 is estimated to be $140 million (0.8 percent). The $140 million increase in estimated payments for CY 2024 reflects the effects of the final CY 2024 home health payment update percentage of 3.0 percent ($525 million increase), an estimated 2.6 percent decrease that reflects the effects of the permanent behavior adjustment ($455 million decrease), and an estimated 0.4 percent increase that reflects the effects of an updated Fixed Dollar Loss Threshold (FDL) ($70 million increase). (Page 478)

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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MISSOURI HOSPITAL ASSOCIATION

Comment
Note CMS says the “behavior” adjustments above is -2.6 percent. Yet, CMS also says this adjustment is -2.890 percent. See the footnote at the end of the case-mix table below. The difference is due to the base amount used in calculating this offset.

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

Summary of Costs, Transfers, and Benefits (Page 14)

Provision Description	Costs and Cost Savings	Transfers	Benefits
CY 2024 HH PPS Payment Rate Update		The overall economic impact related to the changes in payments under the HH PPS for CY 2024 is estimated to be $140 million (0.8 percent). The $140 million increase in estimated payments for CY 2024 reflects the effects of the CY 2024 home health payment update percentage of 3.0 percent ($525 million increase), an estimated 2.6 percent decrease* that reflects the effects of the permanent behavioral assumption adjustment ($455 million) and an estimated 0.4 percent increase that reflects the effects of an updated FDL ($70 million increase).	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 reduction in cost of $5,123,430.	
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	

Provision Description	Costs and Cost Savings	Transfers	Benefits
Home IVIG Items and Services		The overall economic impact for CY 2024 is an estimated increase of $8.7 million 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	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. 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.		
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 (with approximately $9 million in Medicaid dual cost-sharing: $5.1 federal and $3.9 state). For the lymphedema provision, the overall economic impact for CYs 2023 to 2028 is an estimated $150 million in total cost to FFS Medicare (with approximately $9 million in Medicaid dual cost-sharing: $5.1 federal and $3.9 state).	The codification of refill requirements is intended to help ensure the appropriateness of recurring DMEPOS payments, to protect both beneficiaries and the Trust Fund.

Provision Description	Costs and Cost Savings	Transfers	Benefits
Documentation Requirements for DMEPOS Products Supplied as Refills tothe 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 final 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 inthe Medicare program.

HOME HEALTH PROSPECTIVE PAYMENT SYSTEM

CY 2024 Final Behavior Assumption Adjustments under the HH PPS (Page 29)
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.

Comment
This is a highly technical section explaining how CMS determines and calculates assumed versus actual behavior. For example, CMS says it determined that 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 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 40)

CMS provides data on its calculations for CYs 2020,2021, 2022 and 2023.

CY 2024 Final Permanent Adjustment and Temporary Adjustment Calculations (Page 46)
CMS says it would need to apply a -5.779 percent permanent adjustment to the CY 2024 base payment rate. (Page 49)

As in previous years, CMS acknowledges that taking a large permanent adjustment in a single year, to comply with the statutory requirement that CMS ensure the estimated aggregate expenditures under the PDGM are equal to the estimated aggregate expenditures that would have been made under the prior system, may be burdensome for some providers. (Page 57)

CMS is finalizing a **−2.890 percent** (half of the −5.77910 percent) permanent adjustment for CY 2024.

Applying a −2.890 percent permanent adjustment to the CY 2024 30-day payment rate would not adjust the rate fully to account for differences in behavior changes on estimated aggregate expenditures during those years. CMS will have to account for that difference, and any other potential adjustments needed to the base payment rate, to account for behavior change based on data analysis in future rulemaking.

CY 2024 PDGM LUPA Thresholds and PDGM Case-Mix Weights (Page 59)
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.

CMS is finalizing its proposal to update the LUPA thresholds for CY 2024, using CY 2022 claims data (as of July 15, 2023). The final 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 B12 (Page 83) and is also available on the HHA Center webpage at: https://www.cms.gov/Center/Provider-Type/Home-Health-Agency-HHA-Center

CY 2024 Functional Impairment Levels (Page 62)

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

CMS is finalizing the functional points and functional impairment levels updates for CY 2024 as proposed, using CY 2022 claims data (as of July 15, 2023). The updated OASIS functional points table and the table of functional impairment levels by clinical group for CY 2024 are listed in the rules Tables B7 and B8, respectively. (Pages 66-67)

CY 2023 Comorbidity Subgroups (Page 67)
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, the final update to the comorbidity adjustment subgroups includes 22 low comorbidity adjustment subgroups as identified in Table B9 and 102 high comorbidity adjustment interaction subgroups as identified in Table B10. (Pages 70-78)

CY 2024 PDGM Case-Mix Weights (Pages 83-94)

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 2024	LUPA Visit Threshold (LUPAs have fewer visits than the threshold)
1FC11	Behavioral Health – High	Early – Community	0	1.0929	4
1FC21	Behavioral Health – High	Early – Community	1	1.1490	4
1FC31	Behavioral Health – High	Early – Community	2	1.3078	4
2FC11	Behavioral Health – High	Early – Institutional	0	1.3078	3
2FC21	Behavioral Health – High	Early – Institutional	1	1.3640	4
2FC31	Behavioral Health – High	Early – Institutional	2	1.5228	4
3FC11	Behavioral Health – High	Late – Community	0	0.7321	2
3FC21	Behavioral Health – High	Late – Community	1	0.7883	2
3FC31	Behavioral Health – High	Late – Community	2	0.9471	2
4FC11	Behavioral Health – High	Late – Institutional	0	1.2192	3
4FC21	Behavioral Health – High	Late – Institutional	1	1.2754	3
4FC31	Behavioral Health – High	Late – Institutional	2	1.4342	3
1FA11	Behavioral Health – Low	Early – Community	0	0.9018	3
1FA21	Behavioral Health – Low	Early – Community	1	0.9580	3
1FA31	Behavioral Health – Low	Early – Community	2	1.1168	3
2FA11	Behavioral Health – Low	Early – Institutional	0	1.1167	3
2FA21	Behavioral Health – Low	Early – Institutional	1	1.1729	3
2FA31	Behavioral Health – Low	Early – Institutional	2	1.3317	2
3FA11	Behavioral Health – Low	Late – Community	0	0.5411	2
3FA21	Behavioral Health – Low	Late – Community	1	0.5972	2
3FA31	Behavioral Health – Low	Late – Community	2	0.7560	2
4FA11	Behavioral Health – Low	Late – Institutional	0	1.0282	3
4FA21	Behavioral Health – Low	Late – Institutional	1	1.0843	3

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)
4FA31	Behavioral Health – Low	Late – Institutional	2	1.2431	2
1FB11	Behavioral Health – Medium	Early – Community	0	1.0067	4
1FB21	Behavioral Health – Medium	Early – Community	1	1.0629	4
1FB31	Behavioral Health – Medium	Early – Community	2	1.2217	4
2FB11	Behavioral Health – Medium	Early – Institutional	0	1.2216	4
2FB21	Behavioral Health – Medium	Early – Institutional	1	1.2778	4
2FB31	Behavioral Health – Medium	Early – Institutional	2	1.4366	4
3FB11	Behavioral Health – Medium	Late – Community	0	0.6460	2
3FB21	Behavioral Health – Medium	Late – Community	1	0.7021	2
3FB31	Behavioral Health – Medium	Late – Community	2	0.8609	2
4FB11	Behavioral Health – Medium	Late – Institutional	0	1.1331	3
4FB21	Behavioral Health – Medium	Late – Institutional	1	1.1892	3
4FB31	Behavioral Health – Medium	Late – Institutional	2	1.3480	3
1DC11	Complex – High	Early – Community	0	0.9904	2
1DC21	Complex – High	Early – Community	1	1.0465	2
1DC31	Complex – High	Early – Community	2	1.2053	2
2DC11	Complex – High	Early – Institutional	0	1.2053	4
2DC21	Complex – High	Early – Institutional	1	1.2615	3
2DC31	Complex – High	Early – Institutional	2	1.4203	4
3DC11	Complex – High	Late – Community	0	0.6296	2
3DC21	Complex – High	Late – Community	1	0.6858	2
3DC31	Complex – High	Late – Community	2	0.8446	2
4DC11	Complex – High	Late – Institutional	0	1.1167	3
4DC21	Complex – High	Late – Institutional	1	1.1729	3
4DC31	Complex – High	Late – Institutional	2	1.3317	2
1DA11	Complex – Low	Early – Community	0	0.8840	2
1DA21	Complex – Low	Early – Community	1	0.9402	2
1DA31	Complex – Low	Early – Community	2	1.0990	2
2DA11	Complex – Low	Early – Institutional	0	1.0989	3
2DA21	Complex – Low	Early – Institutional	1	1.1551	3
2DA31	Complex – Low	Early – Institutional	2	1.3139	3
3DA11	Complex – Low	Late – Community	0	0.5233	2
3DA21	Complex – Low	Late – Community	1	0.5794	2
3DA31	Complex – Low	Late – Community	2	0.7382	2
4DA11	Complex – Low	Late – Institutional	0	1.0104	3
4DA21	Complex – Low	Late – Institutional	1	1.0665	2
4DA31	Complex – Low	Late – Institutional	2	1.2253	3
1DB11	Complex – Medium	Early – Community	0	1.0158	2
1DB21	Complex – Medium	Early – Community	1	1.0720	2
1DB31	Complex – Medium	Early – Community	2	1.2308	2

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)
2DB11	Complex – Medium	Early – Institutional	0	1.2308	4
2DB21	Complex – Medium	Early – Institutional	1	1.2869	4
2DB31	Complex – Medium	Early – Institutional	2	1.4457	4
3DB11	Complex – Medium	Late – Community	0	0.6551	2
3DB21	Complex – Medium	Late – Community	1	0.7113	2
3DB31	Complex – Medium	Late – Community	2	0.8701	2
4DB11	Complex – Medium	Late – Institutional	0	1.1422	3
4DB21	Complex – Medium	Late – Institutional	1	1.1984	3
4DB31	Complex – Medium	Late – Institutional	2	1.3572	3
1HC11	MMTA – Cardiac – High	Early – Community	0	1.1344	4
1HC21	MMTA – Cardiac – High	Early – Community	1	1.1905	4
1HC31	MMTA – Cardiac – High	Early – Community	2	1.3493	4
2HC11	MMTA – Cardiac – High	Early – Institutional	0	1.3493	4
2HC21	MMTA – Cardiac – High	Early – Institutional	1	1.4055	4
2HC31	MMTA – Cardiac – High	Early – Institutional	2	1.5643	4
3HC11	MMTA – Cardiac – High	Late – Community	0	0.7736	2
3HC21	MMTA – Cardiac – High	Late – Community	1	0.8298	2
3HC31	MMTA – Cardiac – High	Late – Community	2	0.9886	3
4HC11	MMTA – Cardiac – High	Late – Institutional	0	1.2607	4
4HC21	MMTA – Cardiac – High	Late – Institutional	1	1.3169	3
4HC31	MMTA – Cardiac – High	Late – Institutional	2	1.4757	4
1HA11	MMTA – Cardiac – Low	Early – Community	0	0.9274	4
1HA21	MMTA – Cardiac – Low	Early – Community	1	0.9836	4
1HA31	MMTA – Cardiac – Low	Early – Community	2	1.1424	3
2HA11	MMTA – Cardiac – Low	Early – Institutional	0	1.1424	4
2HA21	MMTA – Cardiac – Low	Early – Institutional	1	1.1986	4
2HA31	MMTA – Cardiac – Low	Early – Institutional	2	1.3573	4
3HA11	MMTA – Cardiac – Low	Late – Community	0	0.5667	2
3HA21	MMTA – Cardiac – Low	Late – Community	1	0.6229	2
3HA31	MMTA – Cardiac – Low	Late – Community	2	0.7817	2
4HA11	MMTA – Cardiac – Low	Late – Institutional	0	1.0538	3
4HA21	MMTA – Cardiac – Low	Late – Institutional	1	1.1100	3
4HA31	MMTA – Cardiac – Low	Late – Institutional	2	1.2688	3
1HB11	MMTA – Cardiac – Medium	Early – Community	0	1.0282	4
1HB21	MMTA – Cardiac – Medium	Early – Community	1	1.0844	4
1HB31	MMTA – Cardiac – Medium	Early – Community	2	1.2432	4
2HB11	MMTA – Cardiac – Medium	Early – Institutional	0	1.2432	4
2HB21	MMTA – Cardiac – Medium	Early – Institutional	1	1.2993	4
2HB31	MMTA – Cardiac – Medium	Early – Institutional	2	1.4581	5
3HB11	MMTA – Cardiac – Medium	Late – Community	0	0.6675	2

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)
3HB21	MMTA – Cardiac – Medium	Late – Community	1	0.7237	2
3HB31	MMTA – Cardiac – Medium	Late – Community	2	0.8825	3
4HB11	MMTA – Cardiac – Medium	Late – Institutional	0	1.1546	3
4HB21	MMTA – Cardiac – Medium	Late – Institutional	1	1.2108	3
4HB31	MMTA – Cardiac – Medium	Late – Institutional	2	1.3696	4
1IC11	MMTA – Endocrine – High	Early – Community	0	1.3321	4
1IC21	MMTA – Endocrine – High	Early – Community	1	1.3883	4
1IC31	MMTA – Endocrine – High	Early – Community	2	1.5471	4
2IC11	MMTA – Endocrine – High	Early – Institutional	0	1.5471	4
2IC21	MMTA – Endocrine – High	Early – Institutional	1	1.6032	4
2IC31	MMTA – Endocrine – High	Early – Institutional	2	1.7620	4
3IC11	MMTA – Endocrine – High	Late – Community	0	0.9714	3
3IC21	MMTA – Endocrine – High	Late – Community	1	1.0276	3
3IC31	MMTA – Endocrine – High	Late – Community	2	1.1864	3
4IC11	MMTA – Endocrine – High	Late – Institutional	0	1.4585	4
4IC21	MMTA – Endocrine – High	Late – Institutional	1	1.5147	4
4IC31	MMTA – Endocrine – High	Late – Institutional	2	1.6735	4
1IA11	MMTA – Endocrine – Low	Early – Community	0	1.2136	4
1IA21	MMTA – Endocrine – Low	Early – Community	1	1.2698	4
1IA31	MMTA – Endocrine – Low	Early – Community	2	1.4286	4
2IA11	MMTA – Endocrine – Low	Early – Institutional	0	1.4286	3
2IA21	MMTA – Endocrine – Low	Early – Institutional	1	1.4847	4
2IA31	MMTA – Endocrine – Low	Early – Institutional	2	1.6435	4
3IA11	MMTA – Endocrine – Low	Late – Community	0	0.8529	3
3IA21	MMTA – Endocrine – Low	Late – Community	1	0.9091	3
3IA31	MMTA – Endocrine – Low	Late – Community	2	1.0678	3
4IA11	MMTA – Endocrine – Low	Late – Institutional	0	1.3400	3
4IA21	MMTA – Endocrine – Low	Late – Institutional	1	1.3962	3
4IA31	MMTA – Endocrine – Low	Late – Institutional	2	1.5549	4
1IB11	MMTA – Endocrine – Medium	Early – Community	0	1.2236	4
1IB21	MMTA – Endocrine – Medium	Early – Community	1	1.2797	4
1IB31	MMTA – Endocrine – Medium	Early – Community	2	1.4385	4
2IB11	MMTA – Endocrine – Medium	Early – Institutional	0	1.4385	4
2IB21	MMTA – Endocrine – Medium	Early – Institutional	1	1.4947	4
2IB31	MMTA – Endocrine – Medium	Early – Institutional	2	1.6535	4
3IB11	MMTA – Endocrine – Medium	Late – Community	0	0.8628	3
3IB21	MMTA – Endocrine – Medium	Late – Community	1	0.9190	3
3IB31	MMTA – Endocrine – Medium	Late – Community	2	1.0778	3
4IB11	MMTA – Endocrine – Medium	Late – Institutional	0	1.3499	4
4IB21	MMTA – Endocrine – Medium	Late – Institutional	1	1.4061	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)
4IB31	MMTA – Endocrine – Medium	Late – Institutional	2	1.5649	4
1JC11	MMTA – GI/GU – High	Early – Community	0	1.1135	3
1JC21	MMTA – GI/GU – High	Early – Community	1	1.1697	3
1JC31	MMTA – GI/GU – High	Early – Community	2	1.3285	2
2JC11	MMTA – GI/GU – High	Early – Institutional	0	1.3285	4
2JC21	MMTA – GI/GU – High	Early – Institutional	1	1.3846	3
2JC31	MMTA – GI/GU – High	Early – Institutional	2	1.5434	3
3JC11	MMTA – GI/GU – High	Late – Community	0	0.7528	2
3JC21	MMTA – GI/GU – High	Late – Community	1	0.8090	2
3JC31	MMTA – GI/GU – High	Late – Community	2	0.9678	2
4JC11	MMTA – GI/GU – High	Late – Institutional	0	1.2399	3
4JC21	MMTA – GI/GU – High	Late – Institutional	1	1.2961	3
4JC31	MMTA – GI/GU – High	Late – Institutional	2	1.4548	3
1JA11	MMTA – GI/GU – Low	Early – Community	0	0.8905	2
1JA21	MMTA – GI/GU – Low	Early – Community	1	0.9467	2
1JA31	MMTA – GI/GU – Low	Early – Community	2	1.1055	2
2JA11	MMTA – GI/GU – Low	Early – Institutional	0	1.1054	3
2JA21	MMTA – GI/GU – Low	Early – Institutional	1	1.1616	3
2JA31	MMTA – GI/GU – Low	Early – Institutional	2	1.3204	3
3JA11	MMTA – GI/GU – Low	Late – Community	0	0.5298	2
3JA21	MMTA – GI/GU – Low	Late – Community	1	0.5859	2
3JA31	MMTA – GI/GU – Low	Late – Community	2	0.7447	2
4JA11	MMTA – GI/GU – Low	Late – Institutional	0	1.0169	3
4JA21	MMTA – GI/GU – Low	Late – Institutional	1	1.0730	3
4JA31	MMTA – GI/GU – Low	Late – Institutional	2	1.2318	3
1JB11	MMTA – GI/GU – Medium	Early – Community	0	1.0234	3
1JB21	MMTA – GI/GU – Medium	Early – Community	1	1.0796	3
1JB31	MMTA – GI/GU – Medium	Early – Community	2	1.2384	3
2JB11	MMTA – GI/GU – Medium	Early – Institutional	0	1.2384	4
2JB21	MMTA – GI/GU – Medium	Early – Institutional	1	1.2945	4
2JB31	MMTA – GI/GU – Medium	Early – Institutional	2	1.4533	4
3JB11	MMTA – GI/GU – Medium	Late – Community	0	0.6627	2
3JB21	MMTA – GI/GU – Medium	Late – Community	1	0.7189	2
3JB31	MMTA – GI/GU – Medium	Late – Community	2	0.8777	2
4JB11	MMTA – GI/GU – Medium	Late – Institutional	0	1.1498	3
4JB21	MMTA – GI/GU – Medium	Late – Institutional	1	1.2060	3
4JB31	MMTA – GI/GU – Medium	Late – Institutional	2	1.3648	3
1KC11	MMTA – Infectious – High	Early – Community	0	1.1415	2
1KC21	MMTA – Infectious – High	Early – Community	1	1.1976	2
1KC31	MMTA – Infectious – High	Early – Community	2	1.3564	2

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)
2KC11	MMTA – Infectious – High	Early – Institutional	0	1.3564	3
2KC21	MMTA – Infectious – High	Early – Institutional	1	1.4126	3
2KC31	MMTA – Infectious – High	Early – Institutional	2	1.5713	3
3KC11	MMTA – Infectious – High	Late – Community	0	0.7807	2
3KC21	MMTA – Infectious – High	Late – Community	1	0.8369	2
3KC31	MMTA – Infectious – High	Late – Community	2	0.9957	2
4KC11	MMTA – Infectious – High	Late – Institutional	0	1.2678	3
4KC21	MMTA – Infectious – High	Late – Institutional	1	1.3240	3
4KC31	MMTA – Infectious – High	Late – Institutional	2	1.4828	3
1KA11	MMTA – Infectious – Low	Early – Community	0	0.9198	2
1KA21	MMTA – Infectious – Low	Early – Community	1	0.9760	2
1KA31	MMTA – Infectious – Low	Early – Community	2	1.1348	2
2KA11	MMTA – Infectious – Low	Early – Institutional	0	1.1347	3
2KA21	MMTA – Infectious – Low	Early – Institutional	1	1.1909	3
2KA31	MMTA – Infectious – Low	Early – Institutional	2	1.3497	3
3KA11	MMTA – Infectious – Low	Late – Community	0	0.5591	2
3KA21	MMTA – Infectious – Low	Late – Community	1	0.6153	2
3KA31	MMTA – Infectious – Low	Late – Community	2	0.7740	2
4KA11	MMTA – Infectious – Low	Late – Institutional	0	1.0462	3
4KA21	MMTA – Infectious – Low	Late – Institutional	1	1.1023	3
4KA31	MMTA – Infectious – Low	Late – Institutional	2	1.2611	3
1KB11	MMTA – Infectious – Medium	Early – Community	0	1.0145	3
1KB21	MMTA – Infectious – Medium	Early – Community	1	1.0707	2
1KB31	MMTA – Infectious – Medium	Early – Community	2	1.2295	2
2KB11	MMTA – Infectious – Medium	Early – Institutional	0	1.2294	3
2KB21	MMTA – Infectious – Medium	Early – Institutional	1	1.2856	3
2KB31	MMTA – Infectious – Medium	Early – Institutional	2	1.4444	4
3KB11	MMTA – Infectious – Medium	Late – Community	0	0.6538	2
3KB21	MMTA – Infectious – Medium	Late – Community	1	0.7100	2
3KB31	MMTA – Infectious – Medium	Late – Community	2	0.8687	2
4KB11	MMTA – Infectious – Medium	Late – Institutional	0	1.1409	3
4KB21	MMTA – Infectious – Medium	Late – Institutional	1	1.1970	3
4KB31	MMTA – Infectious – Medium	Late – Institutional	2	1.3558	3
1AC11	MMTA – Other – High	Early – Community	0	1.1331	4
1AC21	MMTA – Other – High	Early – Community	1	1.1892	4
1AC31	MMTA – Other – High	Early – Community	2	1.3480	3
2AC11	MMTA – Other – High	Early – Institutional	0	1.3480	4
2AC21	MMTA – Other – High	Early – Institutional	1	1.4042	4
2AC31	MMTA – Other – High	Early – Institutional	2	1.5629	4
3AC11	MMTA – Other – High	Late – Community	0	0.7723	2

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)
3AC21	MMTA – Other – High	Late – Community	1	0.8285	2
3AC31	MMTA – Other – High	Late – Community	2	0.9873	2
4AC11	MMTA – Other – High	Late – Institutional	0	1.2594	3
4AC21	MMTA – Other – High	Late – Institutional	1	1.3156	3
4AC31	MMTA – Other – High	Late – Institutional	2	1.4744	3
1AA11	MMTA – Other – Low	Early – Community	0	0.9429	3
1AA21	MMTA – Other – Low	Early – Community	1	0.9991	3
1AA31	MMTA – Other – Low	Early – Community	2	1.1579	4
2AA11	MMTA – Other – Low	Early – Institutional	0	1.1578	3
2AA21	MMTA – Other – Low	Early – Institutional	1	1.2140	3
2AA31	MMTA – Other – Low	Early – Institutional	2	1.3728	4
3AA11	MMTA – Other – Low	Late – Community	0	0.5822	2
3AA21	MMTA – Other – Low	Late – Community	1	0.6383	2
3AA31	MMTA – Other – Low	Late – Community	2	0.7971	2
4AA11	MMTA – Other – Low	Late – Institutional	0	1.0693	3
4AA21	MMTA – Other – Low	Late – Institutional	1	1.1254	3
4AA31	MMTA – Other – Low	Late – Institutional	2	1.2842	3
1AB11	MMTA – Other – Medium	Early – Community	0	1.0348	4
1AB21	MMTA – Other – Medium	Early – Community	1	1.0910	4
1AB31	MMTA – Other – Medium	Early – Community	2	1.2497	4
2AB11	MMTA – Other – Medium	Early – Institutional	0	1.2497	4
2AB21	MMTA – Other – Medium	Early – Institutional	1	1.3059	4
2AB31	MMTA – Other – Medium	Early – Institutional	2	1.4647	4
3AB11	MMTA – Other – Medium	Late – Community	0	0.6741	2
3AB21	MMTA – Other – Medium	Late – Community	1	0.7302	2
3AB31	MMTA – Other – Medium	Late – Community	2	0.8890	2
4AB11	MMTA – Other – Medium	Late – Institutional	0	1.1612	3
4AB21	MMTA – Other – Medium	Late – Institutional	1	1.2173	3
4AB31	MMTA – Other – Medium	Late – Institutional	2	1.3761	3
1LC11	MMTA – Respiratory – High	Early – Community	0	1.1368	3
1LC21	MMTA – Respiratory – High	Early – Community	1	1.1930	3
1LC31	MMTA – Respiratory – High	Early – Community	2	1.3518	2
2LC11	MMTA – Respiratory – High	Early – Institutional	0	1.3518	4
2LC21	MMTA – Respiratory – High	Early – Institutional	1	1.4079	4
2LC31	MMTA – Respiratory – High	Early – Institutional	2	1.5667	4
3LC11	MMTA – Respiratory – High	Late – Community	0	0.7761	2
3LC21	MMTA – Respiratory – High	Late – Community	1	0.8323	2
3LC31	MMTA – Respiratory – High	Late – Community	2	0.9911	2
4LC11	MMTA – Respiratory – High	Late – Institutional	0	1.2632	3
4LC21	MMTA – Respiratory – High	Late – Institutional	1	1.3194	3

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)
4LC31	MMTA – Respiratory – High	Late – Institutional	2	1.4781	3
1LA11	MMTA – Respiratory – Low	Early – Community	0	0.9181	3
1LA21	MMTA – Respiratory – Low	Early – Community	1	0.9743	3
1LA31	MMTA – Respiratory – Low	Early – Community	2	1.1331	3
2LA11	MMTA – Respiratory – Low	Early – Institutional	0	1.1330	3
2LA21	MMTA – Respiratory – Low	Early – Institutional	1	1.1892	3
2LA31	MMTA – Respiratory – Low	Early – Institutional	2	1.3480	4
3LA11	MMTA – Respiratory – Low	Late – Community	0	0.5574	2
3LA21	MMTA – Respiratory – Low	Late – Community	1	0.6135	2
3LA31	MMTA – Respiratory – Low	Late – Community	2	0.7723	2
4LA11	MMTA – Respiratory – Low	Late – Institutional	0	1.0445	3
4LA21	MMTA – Respiratory – Low	Late – Institutional	1	1.1006	3
4LA31	MMTA – Respiratory – Low	Late – Institutional	2	1.2594	3
1LB11	MMTA – Respiratory – Medium	Early – Community	0	1.0263	4
1LB21	MMTA – Respiratory – Medium	Early – Community	1	1.0825	3
1LB31	MMTA – Respiratory – Medium	Early – Community	2	1.2413	3
2LB11	MMTA – Respiratory – Medium	Early – Institutional	0	1.2413	4
2LB21	MMTA – Respiratory – Medium	Early – Institutional	1	1.2974	4
2LB31	MMTA – Respiratory – Medium	Early – Institutional	2	1.4562	4
3LB11	MMTA – Respiratory – Medium	Late – Community	0	0.6656	2
3LB21	MMTA – Respiratory – Medium	Late – Community	1	0.7218	2
3LB31	MMTA – Respiratory – Medium	Late – Community	2	0.8805	2
4LB11	MMTA – Respiratory – Medium	Late – Institutional	0	1.1527	3
4LB21	MMTA – Respiratory – Medium	Late – Institutional	1	1.2089	3
4LB31	MMTA – Respiratory – Medium	Late – Institutional	2	1.3676	4
1GC11	MMTA – Surgical Aftercare – High	Early – Community	0	1.1505	3
1GC21	MMTA – Surgical Aftercare – High	Early – Community	1	1.2067	2
1GC31	MMTA – Surgical Aftercare – High	Early – Community	2	1.3655	3
2GC11	MMTA – Surgical Aftercare – High	Early – Institutional	0	1.3654	4
2GC21	MMTA – Surgical Aftercare – High	Early – Institutional	1	1.4216	4
2GC31	MMTA – Surgical Aftercare – High	Early – Institutional	2	1.5804	4
3GC11	MMTA – Surgical Aftercare – High	Late – Community	0	0.7898	2
3GC21	MMTA – Surgical Aftercare – High	Late – Community	1	0.8459	2
3GC31	MMTA – Surgical Aftercare – High	Late – Community	2	1.0047	2
4GC11	MMTA – Surgical Aftercare – High	Late – Institutional	0	1.2769	3
4GC21	MMTA – Surgical Aftercare – High	Late – Institutional	1	1.3330	3
4GC31	MMTA – Surgical Aftercare – High	Late – Institutional	2	1.4918	4
1GA11	MMTA – Surgical Aftercare – Low	Early – Community	0	0.8974	2
1GA21	MMTA – Surgical Aftercare – Low	Early – Community	1	0.9536	2
1GA31	MMTA – Surgical Aftercare – Low	Early – Community	2	1.1124	2

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)
2GA11	MMTA – Surgical Aftercare – Low	Early – Institutional	0	1.1124	3
2GA21	MMTA – Surgical Aftercare – Low	Early – Institutional	1	1.1685	3
2GA31	MMTA – Surgical Aftercare – Low	Early – Institutional	2	1.3273	4
3GA11	MMTA – Surgical Aftercare – Low	Late – Community	0	0.5367	2
3GA21	MMTA – Surgical Aftercare – Low	Late – Community	1	0.5929	2
3GA31	MMTA – Surgical Aftercare – Low	Late – Community	2	0.7517	2
4GA11	MMTA – Surgical Aftercare – Low	Late – Institutional	0	1.0238	3
4GA21	MMTA – Surgical Aftercare – Low	Late – Institutional	1	1.0800	3
4GA31	MMTA – Surgical Aftercare – Low	Late – Institutional	2	1.2388	3
1GB11	MMTA – Surgical Aftercare – Medium	Early – Community	0	1.0244	2
1GB21	MMTA – Surgical Aftercare – Medium	Early – Community	1	1.0806	2
1GB31	MMTA – Surgical Aftercare – Medium	Early – Community	2	1.2394	2
2GB11	MMTA – Surgical Aftercare – Medium	Early – Institutional	0	1.2393	4
2GB21	MMTA – Surgical Aftercare – Medium	Early – Institutional	1	1.2955	4
2GB31	MMTA – Surgical Aftercare – Medium	Early – Institutional	2	1.4543	5
3GB11	MMTA – Surgical Aftercare – Medium	Late – Community	0	0.6637	2
3GB21	MMTA – Surgical Aftercare – Medium	Late – Community	1	0.7198	2
3GB31	MMTA – Surgical Aftercare – Medium	Late – Community	2	0.8786	2
4GB11	MMTA – Surgical Aftercare – Medium	Late – Institutional	0	1.1508	3
4GB21	MMTA – Surgical Aftercare – Medium	Late – Institutional	1	1.2069	3
4GB31	MMTA – Surgical Aftercare – Medium	Late – Institutional	2	1.3657	4
1EC11	MS Rehab – High	Early – Community	0	1.2024	5
1EC21	MS Rehab – High	Early – Community	1	1.2586	4
1EC31	MS Rehab – High	Early – Community	2	1.4174	4
2EC11	MS Rehab – High	Early – Institutional	0	1.4174	5
2EC21	MS Rehab – High	Early – Institutional	1	1.4735	5
2EC31	MS Rehab – High	Early – Institutional	2	1.6323	5
3EC11	MS Rehab – High	Late – Community	0	0.8417	2
3EC21	MS Rehab – High	Late – Community	1	0.8979	2
3EC31	MS Rehab – High	Late – Community	2	1.0567	3
4EC11	MS Rehab – High	Late – Institutional	0	1.3288	4
4EC21	MS Rehab – High	Late – Institutional	1	1.3850	4
4EC31	MS Rehab – High	Late – Institutional	2	1.5437	4
1EA11	MS Rehab – Low	Early – Community	0	0.9895	4
1EA21	MS Rehab – Low	Early – Community	1	1.0456	4
1EA31	MS Rehab – Low	Early – Community	2	1.2044	4
2EA11	MS Rehab – Low	Early – Institutional	0	1.2044	5
2EA21	MS Rehab – Low	Early – Institutional	1	1.2606	5
2EA31	MS Rehab – Low	Early – Institutional	2	1.4194	5
3EA11	MS Rehab – Low	Late – Community	0	0.6287	2

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)
3EA21	MS Rehab – Low	Late – Community	1	0.6849	2
3EA31	MS Rehab – Low	Late – Community	2	0.8437	2
4EA11	MS Rehab – Low	Late – Institutional	0	1.1158	4
4EA21	MS Rehab – Low	Late – Institutional	1	1.1720	4
4EA31	MS Rehab – Low	Late – Institutional	2	1.3308	4
1EB11	MS Rehab – Medium	Early – Community	0	1.0644	5
1EB21	MS Rehab – Medium	Early – Community	1	1.1206	4
1EB31	MS Rehab – Medium	Early – Community	2	1.2794	4
2EB11	MS Rehab – Medium	Early – Institutional	0	1.2794	5
2EB21	MS Rehab – Medium	Early – Institutional	1	1.3355	5
2EB31	MS Rehab – Medium	Early – Institutional	2	1.4943	5
3EB11	MS Rehab – Medium	Late – Community	0	0.7037	2
3EB21	MS Rehab – Medium	Late – Community	1	0.7599	2
3EB31	MS Rehab – Medium	Late – Community	2	0.9187	2
4EB11	MS Rehab – Medium	Late – Institutional	0	1.1908	4
4EB21	MS Rehab – Medium	Late – Institutional	1	1.2470	4
4EB31	MS Rehab – Medium	Late – Institutional	2	1.4058	4
1BC11	Neuro – High	Early – Community	0	1.3263	4
1BC21	Neuro – High	Early – Community	1	1.3825	4
1BC31	Neuro – High	Early – Community	2	1.5413	4
2BC11	Neuro – High	Early – Institutional	0	1.5412	5
2BC21	Neuro – High	Early – Institutional	1	1.5974	5
2BC31	Neuro – High	Early – Institutional	2	1.7562	5
3BC11	Neuro – High	Late – Community	0	0.9656	2
3BC21	Neuro – High	Late – Community	1	1.0217	3
3BC31	Neuro – High	Late – Community	2	1.1805	3
4BC11	Neuro – High	Late – Institutional	0	1.4527	4
4BC21	Neuro – High	Late – Institutional	1	1.5088	4
4BC31	Neuro – High	Late – Institutional	2	1.6676	4
1BA11	Neuro – Low	Early – Community	0	1.0817	4
1BA21	Neuro – Low	Early – Community	1	1.1379	4
1BA31	Neuro – Low	Early – Community	2	1.2967	4
2BA11	Neuro – Low	Early – Institutional	0	1.2967	4
2BA21	Neuro – Low	Early – Institutional	1	1.3528	4
2BA31	Neuro – Low	Early – Institutional	2	1.5116	5
3BA11	Neuro – Low	Late – Community	0	0.7210	2
3BA21	Neuro – Low	Late – Community	1	0.7772	2
3BA31	Neuro – Low	Late – Community	2	0.9360	2
4BA11	Neuro – Low	Late – Institutional	0	1.2081	3
4BA21	Neuro – Low	Late – Institutional	1	1.2643	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)
4BA31	Neuro – Low	Late – Institutional	2	1.4231	4
1BB11	Neuro – Medium	Early – Community	0	1.1933	4
1BB21	Neuro – Medium	Early – Community	1	1.2495	4
1BB31	Neuro – Medium	Early – Community	2	1.4083	4
2BB11	Neuro – Medium	Early – Institutional	0	1.4083	5
2BB21	Neuro – Medium	Early – Institutional	1	1.4644	5
2BB31	Neuro – Medium	Early – Institutional	2	1.6232	5
3BB11	Neuro – Medium	Late – Community	0	0.8326	2
3BB21	Neuro – Medium	Late – Community	1	0.8888	2
3BB31	Neuro – Medium	Late – Community	2	1.0476	2
4BB11	Neuro – Medium	Late – Institutional	0	1.3197	4
4BB21	Neuro – Medium	Late – Institutional	1	1.3759	4
4BB31	Neuro – Medium	Late – Institutional	2	1.5347	4
1CC11	Wound – High	Early – Community	0	1.5022	4
1CC21	Wound – High	Early – Community	1	1.5584	4
1CC31	Wound – High	Early – Community	2	1.7171	4
2CC11	Wound – High	Early – Institutional	0	1.7171	5
2CC21	Wound – High	Early – Institutional	1	1.7733	4
2CC31	Wound – High	Early – Institutional	2	1.9321	4
3CC11	Wound – High	Late – Community	0	1.1415	3
3CC21	Wound – High	Late – Community	1	1.1976	3
3CC31	Wound – High	Late – Community	2	1.3564	3
4CC11	Wound – High	Late – Institutional	0	1.6286	4
4CC21	Wound – High	Late – Institutional	1	1.6847	4
4CC31	Wound – High	Late – Institutional	2	1.8435	4
1CA11	Wound – Low	Early – Community	0	1.2677	4
1CA21	Wound – Low	Early – Community	1	1.3239	4
1CA31	Wound – Low	Early – Community	2	1.4826	4
2CA11	Wound – Low	Early – Institutional	0	1.4826	4
2CA21	Wound – Low	Early – Institutional	1	1.5388	4
2CA31	Wound – Low	Early – Institutional	2	1.6976	4
3CA11	Wound – Low	Late – Community	0	0.9070	2
3CA21	Wound – Low	Late – Community	1	0.9631	3
3CA31	Wound – Low	Late – Community	2	1.1219	3
4CA11	Wound – Low	Late – Institutional	0	1.3940	3
4CA21	Wound – Low	Late – Institutional	1	1.4502	4
4CA31	Wound – Low	Late – Institutional	2	1.6090	4
1CB11	Wound – Medium	Early – Community	0	1.3725	4
1CB21	Wound – Medium	Early – Community	1	1.4287	4
1CB31	Wound – Medium	Early – Community	2	1.5875	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)
2CB11	Wound – Medium	Early – Institutional	0	1.5875	4
2CB21	Wound – Medium	Early – Institutional	1	1.6436	5
2CB31	Wound – Medium	Early – Institutional	2	1.8024	4
3CB11	Wound – Medium	Late – Community	0	1.0118	3
3CB21	Wound – Medium	Late – Community	1	1.0680	3
3CB31	Wound – Medium	Late – Community	2	1.2268	3
4CB11	Wound – Medium	Late – Institutional	0	1.4989	4
4CB21	Wound – Medium	Late – Institutional	1	1.5551	4
4CB31	Wound – Medium	Late – Institutional	2	1.7139	4

**The estimated 2.6 percent decrease related to the behavioral assumption adjustment includes all payments, while the -2.890 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.*

The final case-mix budget neutrality factor for CY 2024 will be 1.0124. (Page 98)

Rebasing and Revising the Home Health Market Basket and Revising the Labor-Related Share (Pages 98-123)
CMS is rebasing and revising the home health market basket to reflect a 2021 base year.

As a result of the changes to the home health market basket, the CY 2024 labor-related share will be 74.9 percent. The current labor-related share is 76.1 percent. (Page 133)

CY 2024 Home Health Payment Rate Updates (Page 123)
Market Basket
In accordance with section 1895(b)(3)(B)(iii) of the Act, CMS is finalizing its policy to use the most recent data to determine the home health market basket update for CY 2024 in this final rule. The final CY 2024 home health market basket percentage increase is 3.3 percent. (Page 128)

CY 2024 Productivity Adjustment (Page 128)
The productivity adjustment for the period ending December 31, 2024 for CY 2024 is -0.3 percent.

Therefore, the final CY 2024 home health payment update percentage is **3.0 percent** (3.3 percent home health market basket percentage increase, reduced by 0.3 percentage point productivity adjustment). (Page 130)

CY 2024 Home Health Wage Index (Page 141)
CMS is finalizing as proposed its proposal to use the FY 2024 pre-floor, pre-reclassified hospital wage index data as the basis for the CY 2024 HH PPS wage index. The final CY 2024 wage index is available on the CMS website at: https://www.cms.gov/Center/Provider-Type/Home-Health-Agency-HHA-Center.

CY 2024 Home Health Payment Update (Page 143)
CMS has finalized a permanent behavior adjustment of -2.890 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 final permanent behavior adjustment factor is 0.97110.

CY 2024 National, Standardized 30-Day Period Payment Amount (Page 145)
The CY 2024 national standardized 30-day episode payment rate would be as follows.

CY 2023 National Standardized 30-Day Period Payment	CY 2024 Permanent Behavioral Adjustment Factor	CY 2024 Case-Mix Weights Budget Neutrality Factor	CY 2024 Wage Index Budget Neutrality Factor	CY 2024 Labor Related Share Budget Neutrality Factor	CY 2024 HH Payment Update	CY 2024 National, Standardized 30-Day Period Payment
$2,010.69	0.97110	1.0124	1.0012	0.9998	1.030	**$2,038.13**

The CY 2023 30-day national standardized 30-day episode payment amount for HHAs that DO NOT submit quality data are as follows. (For HHAs that do not submit quality data, the update is 1.010 percent.)

CY 2023 National Standardized 30-Day Period Payment	CY 2024 Permanent Behavioral Adjustment Factor	CY 2024 Case-Mix Weights Budget Neutrality Factor	CY 2024 Wage Index Budget Neutrality Factor	CY 2024 Labor Related Share Budget Neutrality Factor	CY 2024 HH Payment Update	CY 2024 National, Standardized 30-Day Period Payment
$2,010.69	0.97110	1.0124	1.0012	0.9998	1.010	**$1,998.56**

Comments
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. (Page 482)

CY 2024 National Per-Visit Payment Amounts Rates (Page 145)

CY 2024 National Per-Visit Payment Amounts

HH Discipline	CY 2023 Per-Visit Payment Amount	CY 2024 Wage Index Budget Neutrality Factor	CY 2024 Labor-Related Share Budget Neutrality Factor	CY 2024 HH Payment Update Factor	CY 2024 Per-Visit Payment Amount
Home Health Aide	$73.93	1.0012	0.9999	1.030	$76.23
Medical Social Services	$261.72	1.0012	0.9999	1.030	$269.87
Occupational Therapy	$179.70	1.0012	0.9999	1.030	$185.29

HH Discipline	CY 2023 Per-Visit Payment Amount	CY 2024 Wage Index Budget Neutrality Factor	CY 2024 Labor-Related Share Budget Neutrality Factor	CY 2024 HH Payment Update Factor	CY 2024 Per-Visit Payment Amount
Physical Therapy	$178.47	1.0012	0.9999	1.030	$184.03
Skilled Nursing	$163.29	1.0012	0.9999	1.030	$168.37
Speech-Language Pathology	$194.00	1.0012	0.9999	1.030	$200.04

LUPA Add-On Factors (Page 148)

The final CY 2024 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 $310.66 (1.8451 multiplied by $168.37), subject to area wage adjustment.

Payments for High-Cost Outliers (Page 149)

The FDL ratio and the loss-sharing ratio are selected so that the estimated total outlier payments do not exceed the 2.5 percent aggregate level.

Using more complete CY 2022 claims data (as of July 15, 2023) and given the statutory requirement that total outlier payments do not exceed 2.5 percent of the total payments estimated to be made under the HH PPS, CMS is finalizing an **FDL ratio of 0.27** percent for CY 2024.

Comment

We have not found any explanation of the amounts of actual outlier payments upon which CMS is calculating its CY 2024 FDL ratio.

Disposable Negative Pressure Wound Therapy (Page 153)

Negative pressure wound therapy (NPWT) is a medical procedure in which a vacuum dressing is used to enhance and promote healing in acute, chronic, and burn wounds.

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.

Beginning January 1, 2024, a separate payment for the disposable device will be made to an HHA for an individual who is under a home health plan of care using HCPCS code A9272. The CY 2024 payment amount for the device under a home health plan of care will be $270.09, which is equal to the supply price of an applicable disposable device under the Medicare PFS for January 1, 2022, which is $263.25 updated by the final update of 2.6 percent.

Beginning on or after January 1, 2024, the HHA would report the HCPCS code A9272 (for the device only) on the home health TOB 32X.

HOME HEALTH QUALITY REPORTING PROGRAM (HH QRP) (Page 163)
CMS is adopting two new measures and removing one existing measure. Second, CMS is finalizing the removal of two OASIS items. Third, CMS is finalizing a requirement for public reporting of four measures in the HH QRP. Fourth, CMS is providing an update on its efforts to close the health equity gap. Fifth, CMS is codifying its 90 percent data submission threshold policy in the Code of Federal Regulations.

The HH QRP currently includes 20 measures for the CY 2024 program year. Refer rule's table C-1 (Page 165) for the list.

New Measures
CMS is adopting the Discharge Function Score (DC Function) measure beginning with the CY 2025 HH QRP. (Page 189) This measure would replace the topped-out, cross-setting Application of Functional Assessment/Care Plan process measure.

CMS is finalizing its proposal to adopt the Patient/Resident COVID–19 Vaccine measure as an assessment-based measure beginning with the CY 2025 HH QRP as proposed. (Page 208)

OASIS Items
CMS is, as proposed, removing two OASIS items, the M0110 – Episode Timing and M2220- Therapy Needs effective January 1, 2025. (Page 212)

Public Display of Measure Data for the HH QRP (Page 212)
CMS will 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.

CMS will 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 214)

CMS will 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 215)

CHANGES to EXPAND the HOME HEALTH VALUE-BASED PURCHASING (HHVBP) MODEL (Page 232)
CMS is:

- Codifying in the Code of Federal Regulations the measure removal factors finalized in the CY 2022 HH PPS final rule;
- Replacing the two Total Normalized Composite Measures (for Self-Care and Mobility) with the Discharge Function Score measure effective January 1, 2025;
- Replacing 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;

- Replacing 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;
- Changing 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 finalized 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.

Comment
The above is but a snapshot of the items being addressed. One needs to carefully review all the material in the final rule.

MEDICARE HOME INTRAVENOUS IMMUNE GLOBULIN (IVIG) ITEMS and SERVICES (Page 273)

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 is finalizing its proposal to update the CY 2024 home IVIG items and services payment rate by the CY 2024 home health payment rate update. The final home health update is 3.0 percent. The CY 2024 home IVIG items and services payment rate for CY 2024 is $408.23*1.030= **$420.48**. (Page 290)

The CY 2023 payment amount established under the Demonstration is $408.23.

HOSPICE INFORMAL DISPUTE RESOLUTION and SPECIAL FOCUS PROGRAM (Page 293)
The provisions in the CAA, 2021 direct the Secretary to create a Special Focus Program (SFP) for poor-performing hospice programs.

CMS is finalizing the following methodology and algorithm for the hospice SFP based on the technical expert panel (TEP)recommendations and other stakeholder feedback; however, the agency remains interested in feedback and may consider refinements to this algorithm in the future:

- *Data sources:* To identify hospices providing poor quality or unsafe care, CMS will use the most recent Medicare hospice data from the following data sources based on TEP recommendations: 1) hospice surveys (recertification and complaint), and; 2) Hospice Care Index Overall Score, based on Medicare claims data, and 3) four CAHPS® Hospice Survey measures, that are most aligned with caregiver experience.
- *SFP Scoring:* Hospices will be ranked from highest to lowest aggregated score, and the subset of the ten percent of hospices with the highest scores, which represent the lowest-performing hospices, will be considered for participation in the SFP.
- *Selection Criteria & Public Reporting:* The SFP will identify the ten percent of hospices with the highest aggregated scores and the SFP selections from that subset, which will be determined

annually. At a minimum, the general information, program guidance, the target ten percent, SFP selections, and current and past SFP status will be publicly available on the CMS SFP webpage by the end of the first quarter of each calendar year.

- *Survey Frequency:* As indicated in the CAA, 2021, while enrolled in the SFP, a hospice will be surveyed "not less than once every six months" over 18 months.
- *Completion or Termination Criteria:* Hospices must meet three conditions to complete the SFP:

1. No condition-level deficiencies (CLDs) for two of the standard surveys, which are conducted every six months during the SFP.
2. No pending complaint investigations triaged at immediate jeopardy or condition, or
3. Have returned to substantial compliance with all requirements, during the 18-month timeframe to complete the SFP successfully.

A hospice program that was unable to achieve substantial compliance for surveys conducted during the SFP would be considered for termination from the Medicare program.

- *Hospice Informal Dispute Resolution*: The IDR for hospice programs would allow hospice providers an informal opportunity to refute one or more condition-level deficiencies cited in the Statement of Deficiencies survey report, which would align with the established IDR for Home Health Agencies.

CHANGES REGARDING DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS, and SUPPLIES (DMEPOS) (Page 341)

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 making conforming changes to the regulation at 42 CFR 414.210(g)(9) to account for these changes.

CMS is finalizing the revision of § 414.210(g)(9)(v) to state that for items and services furnished in areas other than rural or noncontiguous areas with dates of service from March 6, 2020 through the remainder of the duration of the emergency period described in section 1135(g)(1)(B) of the Act (42 U.S.C. 1320b-5(g)(1)(B)) or December 31, 2023, whichever is later, the fee schedule amount for the area is equal to 75 percent of the adjusted payment amount established under this section and 25 percent of the unadjusted fee schedule amount.

CMS is finalizing the proposal to remove outdated text from § 414.210(g)(9)(v) that states "for items and services furnished in areas other than rural or noncontiguous areas with dates of service from the expiration date of the emergency period described in section 1135(g)(1)(B) of the Act (42 U.S.C. 1320b-5(g)(1)(B)), through December 31, 2020, the fee schedule amount for the area is equal to 100 percent of the adjusted payment amount established under this section." (Page 348)

Lymphedema Compression Treatment Items (Page 350)
Section 4133 of the CAA, 2023 establishes a Medicare Part B benefit for standard and custom-fitted gradient compression garments and other compression treatment items for the treatment of lymphedema that are prescribed by an authorized practitioner. Compression garments for treatment of lymphedema have not been previously covered by Medicare because, prior to the enactment of the CAA, 2023, there was no statutory benefit category for such items. This rule addresses the scope of the new benefit by defining what constitutes a standard- or custom-fitted gradient compression garment and identifying other compression items used for the treatment of lymphedema that fall under the new benefit category, beginning January 1, 2024.

The rule sets forth Medicare payment for gradient compression garments for both daytime and nighttime use as well as ready-to-wear, non-elastic, gradient compression wraps with adjustable straps and compression bandaging systems applied in a clinical setting as part of phase one decongestive therapy as well as during phase two maintenance therapy. In response to concerns by commenters, this rule establishes that Medicare will pay for an increase in daytime garments over the amount previously proposed. As such, Medicare will pay for three daytime garments every six months and two nighttime garments every two years for each affected extremity or part of the body.

This rule establishes the initial Healthcare Common Procedure Coding System (HCPCS) codes and the payment methodology for these items and outlines how future coding, benefit category, and payment determinations for these items will be made. The payment basis that CMS is finalizing for lymphedema compression treatment items approximates the payment methodology by the Department of Veterans Affairs, which is the average Medicaid State agency payment amounts plus 20 percent. In the event that Medicaid State agency payment rates are not available, payment rates will be based on the average of payment amounts established by TRICARE and internet retail prices. If neither Medicaid nor TRICARE payment amounts are available, Medicare payment rates will be based on the average internet retail prices for a lymphedema compression treatment item.

Definition of Brace (Page 414)
CMS is finalizing its proposal without modification 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.

DMEPOS Refill Policy (Page 426)
In response to concerns related to auto-shipments and delivery of DMEPOS supplies that may no longer be needed or not needed at the same level of frequency/volume, CMS instituted policies to require suppliers to contact the beneficiary prior to dispensing DMEPOS refills.

CMS is finalizing its proposal to codify with some changes to its long-standing refill policy. CMS will 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 will 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
CMS' behavioral decrease amounts are significant as noted in the table below.

TOTAL TEMPORARY ADJUSTMENT FOR CYs 2020, 2021, and 2022

CY 2020 Temporary Final Adjustment	CY 2021 Temporary Final Adjustment	CY 2022 Temporary Final Adjustment	Total Temporary Adjustment Dollar Amount for CYs 2020, 2021, and 2022
-$873,073,121	-$1,211,002,953	-$1,405,447,290	-$3,489,523,364

It is obvious that CMS' original estimates of adopting the PDGM in a budget neutrality manner was and has been significantly in error. This raises questions of other CMS estimates and how to account for such estimation errors going forward – something, that for the most part, CMS has ignored.

There is much detail in this rule that has not been specifically addressed in this analysis. A good indication of the amount of information can be identified by subtracting the page numbers of the various sections identified.

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