

# CMS' PROPOSED PATIENT DRIVEN GROUPINGS MODEL

- The Partnership is proud that CMS has consistently recognized the quality, value, and growth of the Medicare home health benefit to patients, and the value it creates through savings for the Medicare program.
- The Partnership believes in the strategic development of payment reforms that will allow more Medicare beneficiaries to be cared for in their homes as an alternative to more costly institutional care.
- The Partnership supports CMS' efforts to reform the home health prospective payment system to more accurately align payment with patient characteristics, quality, and to remove utilization-based incentives.
- However, despite a fruitful dialogue with providers and the Technical Expert Panel (TEP) this year, CMS did not incorporate critical policy recommendations from the TEP's Final Report into the CY 2019 home health proposed payment rule. It is concerning that the proposed Patient Driven Groupings Model (PDGM) incorporates only minimal changes from last year's Home Health Groupings Model (HHGM), despite recognition that critical policy changes are necessary. In essence, the PDGM proposal is basically the HHGM proposal with minor modifications.

*The Partnership raises these 3 issues related to the Patient Driven Groupings Model that continue to be of greatest concern:*

## Behavioral Assumptions

- The Partnership is concerned about CMS' proposal to make payment adjustments to address certain behavioral assumptions that are not based on observed evidence and that could result in unintended consequences.
- The Partnership believes that CMS must implement PDGM by demonstrating a rational connection between evidence actually observed after implementation of the new payment model and any changes in the model made by CMS as a result of these data-based observations.
- Unfortunately, the proposed rule's behavioral assumption of negative 6.42% is not based on observed data and far exceeds past actual behaviors exhibited by the industry since the current payment system was developed.

## Cost Reports

- The Partnership is concerned about the use of unaudited cost reports -- that are inconsistent from provider to provider -- as a basis for establishing new payment rates.
- The Partnership firmly believes that all data upon which payment reform is based should be accurate and reliable.

## Clinical Groupings

- The Partnership has concerns about the accuracy of the payment model because it does not consider TEP member recommendations on clinical groupings.