

# Proposed CY 2020 Home Health Prospective Payment System Rate Update and Quality Reporting Requirements (CMS-1711-P):

## **WHAT YOU NEED TO KNOW**

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### Implementing a New Medicare Home Health Payment System, Patient-Driven Groupings Model (PDGM), including payment rate updates and reductions relating to behavioral assumptions

- January 1, 2020 will be the first year for a new home health payment system. The rule proposes 2020 base payment rates and updates to the new Patient-Driven Groupings Model (PDGM).
- Under PDGM, the patient-specific payment amount depends on certain patient characteristics. PDGM uses a 30-day unit of payment as mandated by the Bipartisan Budget Act of 2018 (BBA of 2018). CMS proposes a CY 2020 base rate of \$1791.73 for a 30-day episode that is adjusted based on the residence location of the patient and the application of the 432 case mix classifications.
- In setting this rate, CMS is proposing an 8.01% reduction in the base rate to account for projected behavioral changes as outlined in the chart below, equivalent to a **\$1.3 billion cut to home health care**.
- The projected behavioral changes are merely assumptions, without any actual evidence that such behaviors will occur.**

Behavior Assumption	30-day Budget Neutral (BN) Standard Amount	Percent Change from No Behavior Assumptions
No Behavior Assumptions	\$1,907.11	N/A
Low-utilization payment adjustment (LUPA) Threshold (1/3 of LUPAs 1-2 visits away from threshold get extra visits and become case-mix adjusted)	\$1,871.67	-1.86%
Clinical Group Coding (among available diagnoses, one leading to highest payment clinical grouping classification designated as principal)	\$1,794.42	-5.91%
Comorbidity Coding (assigns comorbidity level based on comorbidities appearing on HHA claims and not just OASIS)	\$1,900.05	-0.37%
<b>Clinical Group Coding + Comorbidity Coding + LUPA Threshold</b>	<b>\$1,754.37</b>	<b>-8.01%</b>

- The behavioral assumptions are merely assumptions, without actual evidence that such behaviors will occur.
- The base rates would be higher if not for a previous legislative reduction that restricted the annual inflation update to 1.5%. CMS calculated that the home health market-basket update "would have been" 2.6%.
- CMS has also proposed eliminating a near 20 year payment process, known as the Request for Anticipated Payment (RAP), that was instituted to address cash flow needs. These needs continue in PDGM.
- All Medicare home health agencies must submit a new Notice of Admission on 3.5 million patients.

[PQHH.org](http://PQHH.org)

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## Maintenance Therapy

- Skilled maintenance therapy is part of the existing home health benefit. CMS currently permits therapy assistants to provide restorative therapy services within their scope of practice, but does not permit therapy assistants to provide maintenance therapy.
- CMS proposes to allow therapy assistants to provide maintenance therapy as a covered home health services beginning January 1, 2020.

## Home Health Quality Reporting Program (HH QRP) Updates

- There are currently 19 measures currently adopted in the HH QRP for the CY 2021 program year, which are publicly reported on the Home Health Compare website.
- CMS proposes to remove one measure and to add two new process measures, per IMPACT Act requirements, to assess whether or not a current reconciled medication list is given to the admitting provider and the patient and family or caregiver when a patient is discharged/transferred.

## Home Health Value-Based Purchasing (HHVBP) Model

- In 9 states,<sup>1</sup> HHAs are required to participate in the Home Health Value-Based Purchasing (HHVBP) Model. The maximum payment adjustment percentage (upward or downward) is 5 percent in CY 2019 and will increase to: 6 percent in CY 2020; 7 percent in CY 2021; and 8 percent in CY 2022.
- CMS is proposing to publicly report HHAs' Total Performance Scores (TPS) and TPS Percentile Ranking from the Performance Year 5 (CY 2020) Annual TPS and Payment Adjustment Report (Annual Report).

## Medicare Coverage of Home Infusion Therapy Services

- Implementing changes mandated under the 21st Century Cures Act and the Bipartisan Budget Act of 2018, CMS proposes the establishment of a new home infusion therapy benefit for certain drugs under Medicare Part B.
- During 2020, a transitional benefit would be in place allowing for certain suppliers to receive payment for infusion management services. For 2021 and subsequent years, CMS is proposing to group home infusion drugs into three payment categories and proposes a single unit of payment equal to 5 hours of infusion therapy in a physicians' office to pay for the bundled services in the home.
- Home infusion patients must receive services from an accredited home infusion supplier. Concurrent, but restricted use of the home health benefit is permitted. All services related to the infusion would be covered through the home infusion benefit.

**Note:** The CY 2020 estimated 30-day budget neutral payment amount of \$1,754.37 does not include the 1.5 percent home health legislated payment update for CY 2020. Applying the proposed CY 2020 Wage Index Budget Neutrality Factor and the 1.5 percent home health update would increase the CY 2020 national, standardized 30-day payment amount to \$1,791.73.

<sup>1</sup> Arizona, Florida, Iowa, Maryland, Massachusetts, Nebraska, North Carolina, Tennessee, and Washington.