



CY2022 Medicare Home Health Final Rule

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Medicare HH 2022 Final Rule

- **CY 2022 Home Health Prospective Payment System Rate Update and..... Much More**
- <https://www.federalregister.gov/public-inspection/2021-23993/medicare-and-medicaid-programs-cy-2022-home-health-prospective-payment-system-rate-update-home>
- **\$570M expected spending increase**
 - 2.6% rate update
 - 0.7% increase in outlier spending
- **Maintains PDGM case mix model and LUPA thresholds**
 - Recalibrates all 432 case mix weights
 - Drops 5% cap on wage index changes to reflect changes in workforce costs
 - Outlier FDL modified to 0.41
 - No additional behavioral adjustment
- **HHVBP expansion nationwide**
- **2022 Home infusion therapy payment modified**
- **Some CoP PHE waivers made permanent**
- **Provider enrollment processes amended**
- **Hospice Survey and Enforcement requirements established**
- **Should bring a degree of stabilization and predictability**

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2022 Final Payment Rates

- Base payment rates are increased by a net Market Basket Index of 2.6%
 - An annual inflation update of 3.1
 - Reduced by a 0.5 Productivity Adjustment to net at 2.6%
- No change in 2020 behavioral adjustment (4.36%) as CMS wants full year of data to assess whether budget neutrality
- Medicare home health services spending projected to increase by \$570 million in CY 2021
- The base 30-day payment rate is increased from \$1901.12 to \$2,031.64
 - Case Mix Weight Budget Neutrality factor of 1.0396
 - wage index budget neutrality factor of 1.0009 for 30-day episodes
 - HHAs that did not submit required quality data have rates reduced by 2%

2022 Final Payment Rates

- The LUPA per visit rates are set at:
 - SN \$156.90
 - PT \$171.49
 - SLP \$186.49
 - OT \$172.67
 - MSW \$251.48
 - HHA \$71.04
- LUPA rates are also reduced by 2% for those HHAs that did not submit required quality data.
- The LUPA add-on for LUPA only patient continues. OT add-on included

2022 Final Payment Rates

- In proposed rule, CMS analysis shows that 2020 spending exceeded budget neutrality by 6%
 - Average Case Mix Weight increased from 0.9657 to 1.0310
 - Rise in High Functional Impairment Level from 31.2% of episodes to 41.7%
- CMS will not adjust rates in CY22. There will be no adjustment until greater data available and opportunity to consider alternative methods of analysis
- CMS received alternative assessment methodologies, but did not adopt a method in the Final Rule
- NAHC was highly critical of CMS methodology as out of conformance with the law and failing to applying behavioral influences in both the PDGM and HHGM analyses

2022 Final Payment Rates

- Case Mix Weights recalibrated
 - Annual action intended to reflect changes in resource intensity
 - Reflects a reduction in all disciplines of visits per episode: 9.86 (2018 simulated) to 8.53 in 2020
 - LUPA decreased from 6.7% to 8.6% in 2020
 - Episodes per patient reduced from 3.13 (2028 simulated) to 2.93 in 2020
 - Cost per episode \$1,394.60 with 34% margin (excludes telehealth and other costs)
- Updates to functional points for level thresholds; updates to comorbidity subgroups
- CMS rejected recommendation to suspend rebasing due chaotic 2020

2022 Final Payment Rates

- **Reminder: Area Wage Index that applies based on the patient's residence has changed significantly to reflect update census information started in 2021**
 - 2021 New CBSA inclusions and exclusions finalized in CY21 rule
 - New Rural and non-rural areas
 - Some CBSAs and rural areas will have more than one county-based wage index value
- **For CY22, CMS eliminates 2021 cap on any reduction in the wage index at 5% for 1 year**
 - Inconsistent with inpatient hospital policy
 - Certain CBSA face significant payment reductions

2022 Final Payment Rates

- **Outlier standards**
 - Fixed Dollar Loss ratio lowered to 0.41
 - Means a likely increase in the national volume of outlier episodes is expected
 - Estimated 0.7% increase in Medicare payments
- **Rural add-on phase-out continues**
 - High Utilization areas — 0% add-on
 - Low Population Density areas — 1% add-on
 - All other areas — 0% add-on
- **LUPA thresholds stay at the 2021 levels**

Expanded HHVBP

- **Nationwide beginning 1/1/2023**
- **2022 Pre-implementation year**
 - Collect data
 - Sample performance reports
 - No payment adjustment
- **First performance year -2023**
- **First payment year -2025**
- **Payment increase or decrease up to 5%**
- **Quality achieved or improved from the baseline year 2019**

Expanded HHVBP

- **Divide smaller and larger volume HHAs nationwide into cohorts for comparison (rather than in each state)**
- **Larger-Volume Cohort - HHAs that are required to submit an HHC AHPS survey in the performance year**
- **Smaller-Volume Cohort – exempt from HHC AHPS reporting**

Expanded HHVBP

- **Measures used in the Model**
 - **Align with the HHQRP**
 - **Claims based, OASIS, and HHCAHPS**
 - **No “New Measures”**
 - **Table 25 in the final rule**

Expanded HHVBP

NAHC Comments:

- **Postpone start date to allow HHAs to prepare----CMS agreed to a one-year delay**
- **HHAs should share in saving to the Medicare program (average \$141 million saved each year of HHVBP)—CMS said it was not within the scope of the proposal**
- **Measures should reflect stabilization as well as improvement---CMS claims the risk adjuster takes care of such**
- **Stronger risk adjustment model**

Original HHVBP

- **Ending the program early due to exceptions to the HH QRP related to the PHE.**
- **2020 performance year data will not be used to update the payment year 2022.**
- **No public reporting**

HH QRP

- **All proposed and finalized**
 - **Remove Drug Education on all Medications Provided to Patient/Caregiver measure**
 - **End collecting -January 1, 2023**
 - **Last reported on Care Compare -Oct 2023**
 - **Remove the Acute Care Hospitalization during the First 60 Days of Home Health measure and Emergency Department Use Without Hospitalization During the First 60 days of Home Health measure from CY 2023 HH QRP**
 - **Replace them with the Home Health Within- Stay Potentially Preventable Hospitalization claims-based measures beginning with the CY 2023 HH QRP.**
 - **Publicly report Percent of Residents Experiencing One or More Major Falls with Injury measure and Application of Percent of Long-Term Care Hospital Patients with an Admission and Discharge Functional Assessment and a Care Plan that Addresses Function measure beginning in April 2022.**
 - **Collect the two Transfer of Health Information (patient and provider) and additional Standardized Patient Assessment Data Elements Beginning January 1, 2023**
 - **Collection of data using the OASIS E beginning January 1, 2023**

Home Health Conditions of Participation

Changes to the HCA supervisory requirements

- § 484.80(h)(1)(i) permit the 14-day HCA supervisory visit be conducted via interactive telecommunications.
 - **Multimedia communications equipment that includes, at a minimum, audio and video equipment permitting two-way, real-time interactive communication**
 - **Proposed: Must not exceed 2 virtual supervisory assessments per HHA in a 60-day period**
 - **Finalized: one virtual supervisory visit per patient in a 60 day period**

Home Health Conditions of Participation

- § 484.80(h)(2) every 60-day supervisory visits for aides providing care to patients who are not receiving skilled care services
 - **Remove the requirement that the RN must directly observe the aide in-person during those visits.**
Replace the regulatory language with “to assess the quality of care and services provided by the home health aide and to ensure that services meet the patient’s needs”
 - **RN to make a semi-annual on-site visit to the location where a patient is receiving care for each aide.**
- §484.80(h)(3) requires that the agency conduct, and the home health aide complete, retraining and a competency evaluation related to the deficient skill(s).
 - **CMS finalized modifying §484.80(h)(3) by adding “and all related skills”**

Home Health Conditions of Participation

- **Permitting occupational therapists to conduct the initial assessment visit and complete the comprehensive assessment**
- **Another qualifying rehabilitation therapy service (speech language pathology or physical therapy) that establishes program eligibility**
- **Skilled nursing is not initially part of the plan of care.**

HCA Adequacy Survey

- **Whether home health agencies employ or arrange for (under contract) home health aides to provide aide services.**
- **The number of home health aides per home health agency (both directly employed and under contract), and whether the number has increased or decreased over the past 5 to 10 years.**
- **The average number of aide hours per beneficiary with aide service ordered on the plan of care.**
- **The effect of the public health emergency on the ability of HHAs to employ home health aides or arrange for (under contract) the provision of home health aide services**

Respondents expressed concerns over staffing shortages in general along with HCAs and that the PHE has had a negative impact on HCA staffing.

Other Regulatory Changes

§409.43- Plan of Care

- The term “allowed practitioner” added to several sections §409.43 that were inadvertently left out.

Home infusion Therapy

- Annual rate updates to reflect the 2022 CPI-U-(5.4%-3%) rate increase 5.1%. Rates to be issues in a future Change Request

Provider enrollment

- Codifying into regulation provisions of the Policy Manual for Provider Enrollment
 - Effective Date of Billing Privilege
 - Effective Dates of Reassignments and Form CMS-8550 Enrollment
 - Rejections and Returns
 - Deactivation
 - HHA Capitalization- Attestation for borrowed funds only needed if the financial institutions provides such.
 - HHA Changes of Ownership- 36-month rule
 - There has been uncertainty within the provider community as to whether this particular exception applies only to the 2-year cost report period after initial enrollment or also to 2-year cost report periods after the HHA’s previous change in majority ownership
 - Propose to revise the first sentence of § 424.550(b)(2)(i) to specify that the HHA submitted 2 consecutive years of full cost reports since initial enrollment or the last change in majority ownership, whichever is later.

Requests for Information

- **Fast Healthcare Interoperability Resources (FHIR) in Support of Digital Quality Measurement in Post-Acute Care Quality Reporting Programs**
 - Seeking feedback on the potential use of Fast Healthcare Interoperable Resources (FHIR) for digital quality measures within the HH QRP aligning where possible with other quality programs.
- **Closing the Health Equity Gap in Post-Acute Care Quality Reporting Programs**
 - Seeking comment on the possibility of expanding measure development, and the collection of other Standardized Patient Assessment Data Elements that address gaps in health equity in the HH QRP

Survey and Enforcement Requirements for Hospice Programs

- **Requires public reporting of State Agency (SA) and Accrediting Organization (AO) survey findings**
- **Requires HHS and states to measure/reduce inconsistency in survey findings**
- **Requires HHS to provide comprehensive training/testing of SA/AO surveyors**
- **Prohibits use of surveyors to survey hospices with which they have a conflict of interest**
- **Requires use of a multidisciplinary team of individuals when surveys are conducted by more than one surveyor (if single surveyor must be RN)**
- **Requires states to establish dedicated toll-free hotlines for public inquiries and complaints related to hospice programs**
- **Creates a Special Focus Program (SFP) for poor-performing hospice programs**
- **Expands enforcement remedies to include CMPs, payment suspension, temporary management, directed in-service, directed plans of correction**

Q & A

Join NAHC

NAHC is the leading trade association for home care and hospice professionals and we serve as the unified voice for the industry.

Whether you're a home care provider, a hospice administrator, or a technology company that provides services for the industry, there's a place for you at NAHC.

Join your peers and fellow leaders as part of the NAHC community today! Learn more at: <http://nahc.org/join>



Upcoming NAHC Webinar

New Publicly Reported Hospice Quality Measures: Hospice Care Index (HCI) and Hospice Visits in Last Days of Life (HVLDD)

Tuesday, November 30, 2021 – 12 noon to 1 p.m. EASTERN

Description:

Two new claims-based measures will be publicly reported in 2022 – HCI and HVLDD. Hospices have many questions about each of the ten indicators, calculation of the Index score, and expected performance for each of the indicators as well as the Index. This session will focus primarily on these aspects of the HCI.

Faculty: Katie Wehri, Director of Home Health & Hospice Regulatory Affairs, NAHC

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