CY 2018 Home Health PPS Proposed Rule

Rochelle Archuleta & Caitlin Gillooley
AHA Policy

August 24, 2017
Published in July 28 Federal Register
Net Reduction: 0.4%, -$80m
  - Same for facility-based agencies
  - Includes:
    o +1.0% market basket update, per MACRA
    o -0.97% case-mix (CY 2012-2014 non-alignment)
    o NO rebasing cut; ACA cut concluded in CY 2017
    o NO rural add-on

Proposed rates:
  - 60-day episode: $3,038.43 (increase from $2,989.97 in CY 2017)
  - NRS conversion factor: $53.03 for the 6 severity levels (CY 2017 factor: $42.40)
    o Table 14: Range of $14.31 for lowest severity level; $558.16 for highest.
  - LUPA: Rates would increase by 1.0% (See AHA advisory or rule’s Table 11)
CY 2018 Case-Mix Cut

• Nominal Case-Mix Increases
  – In CYs 2012 through 2014, a portion of CMS case-mix increase not driven by rise in patient acuity

• Proposed Case-Mix Cut:
  – -0.97% in each of CYs 2016, 2017, 2018
  – CY 2018: Final installment
Home Health
Quality Reporting Requirements
Post-Acute Reporting Changes: IMPACT Act

- Signed into law Oct. 6, 2014
- Framed as creating “building blocks” of post-acute care reform through collection and reporting of “standardized and “interoperable”:
  - Patient assessment data
  - Quality measures
- Expands data collection and reporting requirements for LTCHs, IRFs, SNFs and HHAs
  - Payment penalties for non-reporting
- Significant regulatory activity continues in 2017
IMPACT Act: HH QRP

Measures must address following topics:
- Skin integrity
- Functional Status
- Major falls
- Patients preferences
- Medication reconciliation
- Resource use, including at a minimum:
  - Medicare spending per beneficiary
  - Discharges to community
  - Potentially preventable admissions and readmissions

Addressed in CY 2016
HH PPS Final Rule

Adopted in CY 2017
HH PPS Final Rule

Detailed measure specifications on CMS website.
• Proposes to remove current pressure ulcer measure, “Percent of Residents or Patients with Pressure Ulcers that are New or Worsened (Short Stay)”
• Replace with Changes in Skin Integrity Post-Acute Care: Pressure Ulcer/Injury
  – Includes unstageable pressure ulcers, including deep tissue injuries (DTI)
  – Uses number of unhealed pressure ulcers at each stage after subtracting number present upon admission
• No universally accepted definition of injuries
• New data element
CMS proposes to add **Application of Percent of Long-Term Hospital Patients with an Admission and Discharge Functional Assessment and a Care Plan that Addresses Function**

- Required by IMPACT Act
- Coded using 6-level rating scale indicating level of independence
- Originally developed and tested as part of PAC-PRD
  - Not NQF-endorsed for HH setting
  - Potentially duplicative with existing OASIS function items
CMS proposes to add **Percent of Residents Experiencing One or More Falls with Major Injury**

- Required by IMPACT Act
- Implemented in SNF setting in 2011
  - Not NQF-endorsed in HH setting
  - MAP raised concerns about attribution, data collection
    - Suggestion of stratification by referral origin
- Would add two standardized items to OASIS for collection at end of care
  - OASIS already contains process falls measure
• CMS proposes to remove 247 data elements from 35 OASIS items collected at various points
  – Start of care, resumption of care, follow-up, transfer, death at home, discharge
• Elements not being used to calculate quality measures, payments, surveys, or care planning
IMPACT Act requires collection of standardized patient assessment data; **failure to comply would result in payment reduction**

Currently four different assessment instruments (LCDS, MDS, PAI, OASIS)

Elements must satisfy five domains:
- Functional status
- Cognitive function
- Special services
- Medical conditions and comorbidities
- Impairments

Most elements tested in PAC-PRD
- Most already implemented in other PAC tools
CY2020 Standardized Patient Assessment
Data Reporting Details

• IMPACT Act requires data reporting starting with CY 2019
  – Pressure Ulcer measure for Q1 and Q2 of CY 2018
  – Subsequent years based on full calendar year of data

• For CY 2020, reporting required for Medicare admissions (SOC or ROC) and discharges starting on January 1, 2019

• CMS proposes to extend administrative requirements for QRP data to patient assessment data, including
  – Participation
  – Exception and extension
  – Reconsiderations
  – Data completion thresholds
HH Value-Based Purchasing (VBP)

- Adopted in CY 2016 HH PPS Final Rule

- CMS invoking its authority under the ACA to “test” payment models intended to improve quality / reduce cost

- CMS mandates participation in a VBP program for HH agencies in 9 states
  - AZ, FL, IA, MD, MA, NE, NC, TN, WA

- HH agencies in selected states subject to upward, neutral or downward adjustments of up to 8 percent based on performance on 24 measures

- Program will score HH agencies both on achievement versus CMS-established benchmarks, and improvement versus their own baseline
  - Somewhat like Hospital VBP
Key HH VBP Changes

- Increase in minimum number of completed HHCAHPS surveys
  - Proposes new minimum of 40
- Removal of Drug Education measure beginning in CY 2018
- Future measures for considerations
  - Total change in ADL/IADL performance
  - Composite functional decline
  - HHA correctly identifies patient’s need for mental or behavioral health supervision
  - Caregiver can/does provide for patient’s mental or behavioral health supervision needs
HHGM Proposal for CY 2019
• **Home Health Groupings Model (HHGM)**

  - **More details**: pages 10-15 in AHA regulatory advisory.
    - Slide 21: Link to full proposed rule text. HHGM proposal starts on p. 35294.
  - Complete HH PPS redesign proposed for CY 2019.
  - Multi-tiered payment model would move from 153 to 144 HHRGs.
  - Switch from a 60-day to 30-day episode.
  - Same methodologies for: LUPA, PEP, Outliers
  - Estimated impact for CY 2019 -- Two approaches:
    1. No transition assistance:
      - Total HH field: -4.3%, $950 million (without accounting for annual update)
      - Facility-based agencies: 0.0% change
    2. Partial transition assistance
      - Total HH field: -2.2%, -$480 million (without accounting for annual update)
      - Facility-based agencies: +2.2%
Proposed Rule Figure 5. Structure of HHGM
DRAFT list of HHGM-related comments:

- In general, we support efforts that improve payment accuracy and the negative Medicare margins for hospital-based HH agencies.
- We support using patient characteristics, rather than volume, to set payments.
- Need more details and further explanation: 30-day episode rationale; changing the source of cost data from wage-weighted minutes of care (WWMC) to a combination of cost reports, claims, NRS data.
- Non-budget neutral approach under examination by legal counsel.
- The new model is complex, a major departure from the current PPS, and needs to be implemented well in order to ensure a workable transition and continued access to care. These needs are not ensured by the proposed rule and CMS should proceed when they are achievable.
- Any new HH PPS model should be implemented with a phase-in.

FEEDBACK/QUESTIONS/SUGGESTIONS?
WHAT’S MISSING?
Letters due to CMS by Sept 25.

**DRAFT list of quality-related comments:**

- Applicability of new quality measures to HH setting
- Duplication of efforts around functional status quality measure
- Feasibility of new standardized patient assessment data reporting requirements

- FEEDBACK/QUESTIONS/SUGGESTIONS?
- WHAT’S MISSING?
Questions
&
Discussion
Contact Information:
Rochelle Archuleta
rarchuleta@aha.org

Caitlin Gillooley
cgillooley@aha.org

CMS’s Proposed Rule Text:

Advisory and Slides Available at:
www.aha.org/postacute in HH section