HH PPS
CY 2021 Final Rule

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AHA Policy

Nov. 19, 2020
• See AHA Regulatory Advisory
  – HH section at www.aha.org/postacute

• Issued on by CMS
  – Final Net Update: +1.9%, $390 million
    o + 2.3% market basket (lower than proposed 3.1% update)
    o -0.3% for productivity
    o -0.1% decrease due to altered rural add-on formula (-$40 million)

• CY 2021 Rates:
  – Final 30-day episode: $1,901.12, an increase from the CY 2020 rate of $1,864.03.
  – LUPA: New policy under PDGM
    o Policy Goal: Keep LUPAs at 7-8% of total episodes (same as under 60-day episodes)
    o For each HHRG, the LUPA threshold is 10th percentile of visits/episode or 2 visits – whichever is greater. Cases below the threshold are paid LUPA per-visit rates
    o COVID: During pandemic, LUPA volume is increasing as % of total episodes. Some reporting an increase from 7% to 14%.
No Change to PDGM Behavioral Offset

• **CY 2020 Proposed Rule.**
  - CMS proposed a 8.1% behavioral offset.
  - AHA (and the HH field) opposed a prospective adjustment that was not based on actual evidence.

• **CY 2020 Final Rule.**
  - The final rule included a PDGM behavioral offset of 4.36%.
  - While still a large offset, we were pleased with this significant reduction.

• **CY 2021 Final Rule.**
  - CMS did not alter the CY 2020 offset;
  - The agency lacks 12-months of claims and cost report data to evaluate service utilization and provider behavior during concurrent PDGM rollout and COVID pandemic.

• **Next Steps.**
  - CMS will determine whether any change to CY 2020 behavioral offset is needed, based on analysis of projected versus actual behavior.
  - AHA and other Stakeholders: Implemented a mid-2021 adjustment if needed.
Rural Add-on

- New Rural Add-on Methodology for CYs 2019 through 2022
- Bipartisan Budget Act of 2018

**Table 26: HH PPS Rural Add-on Percentages, 2019-2022**

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>High utilization</td>
<td>1.5%</td>
<td>0.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low-population density</td>
<td>4.0%</td>
<td>3.0%</td>
<td>2.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td>All other</td>
<td>3.0%</td>
<td>2.0%</td>
<td>1.0%</td>
<td></td>
</tr>
</tbody>
</table>

- **High-utilization Counties/equivalent Areas**: Currently 510 rural counties/areas. Highest quartile based on the number of Medicare HH episodes per 100 individuals;
- **Low-population-density Counties/equivalent Areas**: Currently 334 rural counties/areas. Population density of 6 individuals or fewer per square mile of land area; and
- **All-other Counties/equivalent Areas**: Currently 1,162 rural counties/areas. Those rural counties and equivalent areas not in the above categories.
  - 2,006 rural designations (out of 3,245 counties/areas) based on 2015 wage index, claims data, and data from the Medicare beneficiary summary file; and 2010 Census data.
PDGM & COVID-19

• During initial stage of pandemic many beneficiaries refused care
  – Applies to all PAC settings and general acute-care hospital;
  – Visits per HH episode dropped, even with 30-day episode;
  – LUPA’s increased.

• Current Status under PDGM and COVID
  – Appreciate that CMS did not cause additional volatility through the regulatory process.
  – Case volume in non-hotspots has increased and stabilized for many agencies – but still not at 2019 levels.
  – PDGM has helped providers due to reduced focus on therapy volume.
  – LUPA volume is still much higher than expected.
  – Rolling COVID-19 hotspots causing great disruptions to local providers.

• Next Steps
  – Will CMS make CY 2021 mid-year adjustments based on CY 2020 data?
    o Adjustments for CY 2020 behavioral offset?
    o PDPM structure?
Final OASIS Testing Requirements

- Currently, new HHAs are required to send test data to QIES using a fake CCN, limited to 2 users
- Last year, CMS upgraded to internet-based QIES; no limits to users but requires valid CCN
- Thus, new HHAs cannot use fake CCN to submit test data—**are no longer be required to send test data**
HHVBP Reporting During PHE

- Aligns HH VBP quality data submission requirements with HH QRP
- CMS granted exception for quality data reporting for Q4 2019 and Q1-2 2020
  - May 27 IFR
  - Thus, HH VBP participants not required to submit same data for program
- May impact calculation of performance; CMS will consider changes to payment methodologies
Home Infusion Therapy

- Reiterates home infusion therapy supplier policies finalized in previous (CY 19 and 20) rules
- Establishes enrollment policies for suppliers:
  - Accreditation
  - Comply with quality standards, enrollment, and screening requirements
  - Enroll using form CMS-855B and pay application fee
- Finalizes exclusion of home infusion therapy from Medicare home health benefit
  - Beneficiaries not required to be eligible for HH benefit, nor are they prohibited from using both
  - If HHA supplies both, must follow separate billing processes as established in prior rules
Questions & Discussion
AHA Post-Acute Resources:
www.aha.org/postacute

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