



CMS CY2024 Home Health Payment Final Rule

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Landscape Factors

- PDGM started 1/1/2020
 - Covid-19 pandemic hits March 2020
- Significantly affected the delivery of Medicare home health services
 - Reduced therapy visits
 - Reduced overall visits
 - 30-day episode resets care planning
 - LUPA rates increase
 - 432 case mix categories complicates care management
- 500,000 fewer Medicare FFS patients since 2011
- HHAs decrease
 - 2019 11,732
 - 2023 11,506
 - 2023 w/o CA 11,321
- Medicare Advantage enrollment and home health increases as a proportion of HHA patient census

Medicare HH 2024 Final Rule

- CY 2024 Final Home Health Prospective Payment System Rate Update and..... Much More
- <https://public-inspection.federalregister.gov/2023-24455.pdf>
- \$140M expected spending decrease (-\$375 under proposed rule)
- 3.0% net inflation rate update (\$525M increase)
- \$70 million increase in outlier spending
- 2.890% permanent PDGM Budget Neutrality Adjustment (\$455M reduction)
- Maintains PDGM case mix model
 - Recalibrates all 432 case mix weights and LUPA thresholds
 - Outlier FDL modified to 0.27 (increases # of outlier periods)
 - Rebase and revised Market Basket Index formula
- Home Health Value Based Purchasing demo (HHVBP) modified slightly
- QRP modified
- Provider enrolment rule changes; Hospice provisions; Miscellaneous

TABLE A1: SUMMARY OF COSTS, TRANSFERS, AND BENEFITS

Provision Description	Costs and Cost Savings	Transfers	Benefits
CY 2024 HH PPS Payment Rate Update		The overall economic impact related to the changes in payments under the HH PPS for CY 2024 is estimated to be \$140 million (0.8 percent). The \$140 million increase in estimated payments for CY 2024 reflects the effects of the CY 2024 home health payment update percentage of 3.0 percent (\$525 million increase), an estimated 2.6 percent decrease* that reflects the effects of the permanent behavioral assumption adjustment (\$455 million) and an estimated 0.4 percent increase that reflects the effects of an updated FDL (\$70 million increase).	To ensure that home health payments are consistent with statutory payment authority for CY 2024.

2024 Final Payment Rates

- **Base payment rates are increased by a net Market Basket Index of 3.0%**
 - **An annual inflation update of 3.3%**
 - **Reduced by a 0.3 Productivity Adjustment to net at 3.0%**
- **2022 PDGM 7.85% Budget Neutrality Adjustment (BNA) increased to 9.48% with added 1.73% for 2022 leading to a full -5.779% adjustment for 2024**
- **CMS reduces proposed cut in half; sets final Permanent Adjustment for 2.890 for 2024**

2024 Final Payment Rates

TABLE B24: CY 2024 NATIONAL, STANDARDIZED 30-DAY PERIOD PAYMENT AMOUNT

CY 2023 National Standardized 30-Day Period Payment	CY 2024 Permanent BA Adjustment Factor	CY 2024 Case-Mix Weights Recalibration Neutrality Factor	CY 2024 Wage Index Budget Neutrality Factor	CY 2024 Labor-Related Share Neutrality Factor	CY 2024 HH Payment Update	CY 2024 National, Standardized 30-Day Period Payment
\$2,010.69	0.97110	1.0124	1.0012	0.9998	1.030	\$2,038.13

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2024 Final LUPA Rates

TABLE B26: CY 2024 NATIONAL PER-VISIT PAYMENT AMOUNTS

HH Discipline	CY 2023 Per-Visit Payment Amount	CY 2024 Wage Index Budget Neutrality Factor	CY 2024 Labor-Related Share Neutrality Factor	CY 2024 HH Payment Update	CY 2024 Per-Visit Payment Amount
Home Health Aide	\$73.93	1.0012	0.9999	1.030	\$76.23
Medical Social Services	\$261.72	1.0012	0.9999	1.030	\$269.87
Occupational Therapy	\$179.70	1.0012	0.9999	1.030	\$185.29
Physical Therapy	\$178.47	1.0012	0.9999	1.030	\$184.03
Skilled Nursing	\$163.29	1.0012	0.9999	1.030	\$168.37
Speech-Language Pathology	\$194.00	1.0012	0.9999	1.030	\$200.04

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PDGM Budget Neutrality Adjustment

- **CMS maintained its 2023 methodology**
 - NAHC believes that the methodology is noncompliant with Medicare law
 - CMS applied HPPS-HHRG payment model to 2020 through 2022 claims
 - With PDGM-induced reductions in therapy services, HPPS-HHRG model would have resulted in less spending than occurred under 2020- 2022 PDGM
 - NAHC calculates an underpayment with a true budget neutrality analysis

“Clawback” Risk: No adjustments in 2024

TABLE B5: TOTAL TEMPORARY ADJUSTMENT FOR CYs 2020, 2021, and 2022

CY 2020 Temporary Final Adjustment	CY 2021 Temporary Final Adjustment	CY 2022 Temporary Final Adjustment	Total Temporary Adjustment Dollar Amount for CYs 2020, 2021, and 2022
-\$873,073,121	-\$1,211,002,953	-\$1,405,447,290	-\$3,489,523,364

Final Inflation Update

- **CY 2024 home health market basket update of 3.3 percent rebased and revised formula (proposed at 3.0)**
- **Reduced by a productivity adjustment, currently estimated to be 0.3 percentage point for CY 2024**
- **Final net update percentage for CY 2024 is a 3.0 percent increase**

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PDGM Case Mix Weights Recalibrated

- **Recalibrate annually the PDGM case-mix weights using a fixed effects model with the most recent and complete utilization data available at the time of annual rulemaking.**
- **Reflects current home health resource use and changes in utilization patterns.**
- **Used CY 2022 home health claims data with linked OASIS data**
- **Reflective of PDGM utilization and patient resource use expected for CY2024**

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Area Wage Index Changes

- Beginning in CY 2023, CMS applied a permanent 5-percent cap on any decrease to a geographic area's wage index from its wage index in the prior year, regardless of the circumstances causing the decline.
- a geographic area's wage index for CY 2024 would not be less than 95 percent of its final wage index for CY 2023, regardless of whether the geographic area is part of an updated CBSA
- As usual, wage index is a key factor to consider in determining individual HHA impact. <https://www.cms.gov/medicare/payment/prospective-payment-systems/home-health/home-health-prospective-payment-system/cms-1780-f>
- Labor share decreased from 76.1% to 74.9%

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Area Wage Index Changes

TOP 10 Losers!

CBSA Code	CBSA Name	CY 2023 Wage Index	CY 2024 Wage Index	Difference
41500	Salinas, CA	1.8035	1.7253	-0.0782
42100	Santa Cruz-Watsonville, CA	1.8458	1.7797	-0.0661
11244	Anaheim-Santa Ana-Irvine, CA	1.2835	1.2193	-0.0642
12700	Barnstable Town, MA	1.1892	1.1297	-0.0595
27060	Ithaca, NY	1.1030	1.0479	-0.0551
44300	State College, PA	1.0988	1.0439	-0.0549
34900	Napa, CA	1.5449	1.4902	-0.0547
31540	Madison, WI	1.0586	1.0057	-0.0529
47220	Vineland-Bridgeton, NJ	1.0534	1.0007	-0.0527
39740	Reading, PA	0.9929	0.9433	-0.0496

TOP 10 Winners

CBSA Code	CBSA Name	CY 2023 Wage Index	CY 2024 Wage Index	Difference
13380	Bellingham, WA	1.1777	1.2999	0.1222
28740	Kingston, NY	0.9960	1.0911	0.0951
39540	Racine, WI	0.9035	0.9931	0.0896
30980	Longview, TX	0.8569	0.9415	0.0846
22020	Fargo, ND-MN	0.7853	0.8603	0.0750
21660	Eugene, OR	1.1454	1.2159	0.0705
14740	Bremerton-Silverdale, WA	1.1835	1.2524	0.0689
49700	Yuba City, CA	1.4394	1.5063	0.0669
10500	Albany, GA	0.8627	0.9288	0.0661
39100	Poughkeepsie-Newburgh-Middletown, NY	1.2231	1.2882	0.0651

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LUPA

- All 432 LUPA thresholds have been subject to modification
- LUPA periods that occur as the only period of care or the initial 30-day period of care in a sequence of adjacent 30-day periods of care by the appropriate add-on factor
 - 1.8451 for SN
 - 1.6700 for PT
 - 1.6266 for SLP
 - OT same as PT until data becomes available
- Example: using the proposed CY 2024 per-visit payment rates for HHAs that submit the required quality data, for LUPA periods that occur as the only period or an initial period in a sequence of adjacent periods, if the first skilled visit is SN, the payment for that visit would be \$310.66 (1.8451 multiplied by \$168.37), subject to area wage adjustment.

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Outlier

- loss-sharing ratio of 0.80--- Medicare pays 80 percent of the additional estimated costs that exceed the outlier threshold amount
 - Using CY 2022 claims data (as of March 17, 2023)
 - statutory requirement that total outlier payments do not exceed 2.5 percent of the total payments
- proposing an FDL ratio of 0.27 for CY 2023 (down from 0.35)
- Results in an increase in outlier episodes

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CY2024 Medicare Home Health Rule Action Plan



- Coordinated submission of comments and recommendations on the proposed rule
 - Market Basket Index update
 - Case mix weight recalibration
 - Budget neutrality evaluation
- Enlisted White House engagement
 - Direct meetings; Congressional connections
- Congressional action to eliminate or reduce permanent and temporary rate adjustments; See, S.2137; H.R. 5159
 - End of the year effort to get a 2024 pause on rate cut
 - Need for permanent fix to address temporary and permanent adjustments and the 2020-2026 adjustment window
- NAHC v. Becerra, US District Court for the District of Columbia

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Disposable Negative Pressure Wound Therapy (dNPWT)

- CAA, 2023
- Beginning January 1, 2024
- Device and professional service will be billed separately on the home health claim type of bill (TOB) 32x rather than bundled on TOB 34x
- Nursing and therapy visits provided for dNPWT billed separately and included as HH visits
- HCPCS A9272 is defined as a wound suction, disposable, includes dressing, all accessories and components, any type, each.
- dNPWT on the Medicare PFS -2024 – \$270.09

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HH QRP

- CY 2025 HH QRP
- Two new measures
- Remove one existing measure
- Remove of two OASIS items
- Begin public reporting of four measures in the HH QRP
- Update on closing the health equity gap
- Codifying into regulation the 90 percent data submission threshold policy

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HH QRP

- Two new measures
 - Discharge (DC) function score
 - COVID-19 vaccine
- DC function Score
 - GG 0130 and GG0170
- *# of HHA's episode where the observed discharge score ≥ expected discharge score* x 100 *Total number of HHA episodes*

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HH QRP

DC Function Score

- The observed discharge function score is the sum of individual function items at discharge.
- The expected discharge function score is computed by risk adjusting the observed discharge function score for each HH episode.
- Activity not assessed (ANA) – statistical imputation to estimate the item score for that item based on the values of other data and which are otherwise similar to the assessment with a missing value.
- Uses the only eating, oral hygiene, and toileting hygiene from GG0130 self care items.

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HH QRP

COVID-19 Vaccine: Percent of Patients/Residents Who Are Up to Date

- CMS Measures Under Consideration (MUC) List
- No exclusions
- CDC “up to date” definition potential change
- Not consensus-based entity (CBE) endorsed
- Requires a new item to the OASIS
- Begin reporting with discharges -January 1, 2025

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HH QRP

Measure removed –CY 2025 HH QRP

“ Application of Percent of Long-Term Care Hospital Patients with an Admission and Discharge Functional Assessment and a Care Plan That Addresses Function”

- Topped out
- Replace with DC Functional score

End reporting: April 2024

- Self-Care Discharge Goals (GG0130, Column 2)
- Mobility Discharge Goals (GG0170, Column 2)

Data items removed from OASIS effective January 1, 2025

- M0110 Episode Timing
- M2200 Therapy Need

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HH QRP

Public Reporting –

January 2025 Care Compare refresh or as soon as feasible

- Transfer of Health Information to the Patient Post-Acute Care
- Transfer of Health Information to the Provider Post-Acute Care
- DC Function measure April 1, 2023 – March 31, 2024

January 2026 Care Compare refresh or as soon as feasible

- COVID-19 vaccination - Jan 1, 2025-March 31, 2025

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HH QRP

Update on health equity in HH QRP

- Request for information in the CY 2023 rate update rule
- Technical expert panel convened for development of health equity quality measure
- Anticipated future health equity activities, pursue additional SDOH and continue with quality measure development

Codify into regulation the 90 percent data submission threshold

- (ii) Data completion thresholds. (A) A home health agency must meet or exceed the data submission threshold for each submission year (July 1 through June 30) set at 90 percent of all required OASIS or successor instrument records submitted through the CMS designated data submission systems.

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Home Health Value Based Purchasing Program (HHVBP)

Beginning with reporting year 2025/ payment year 2027

- Change the baseline year to CY 2023

Remove the following measures:

- OASIS-based Discharged to Community (DTC);
- OASIS-based Total Normalized Composite Change in Self-Care (TNC Self-Care);
- OASIS based Total Normalized Composite Change in Mobility (TNC Mobility);
- Claims-based Acute Care Hospitalization During the First 60 Days of Home Health Use (ACH); and
- Claims-based Emergency Department Use without Hospitalization During the First 60 Days of Home Health (ED Use).

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Home Health Value Based Purchasing Program (HHVBP)

Finalized the following measures:

- **Claims-based :**
 Discharge to Community-Post Acute Care (DTC-PAC) Measure for Home Health Agencies;
 Home Health Within-Stay Potentially Preventable Hospitalization (PPH) measure.
- **OASIS based:**
 Discharge Function Score measure

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Home Health Value Based Purchasing Program (HHVBP)

TABLE D4. PROPOSED MEASURE WEIGHT REDISTRIBUTIONS FOR HHAS IN THE LARGER-VOLUME AND SMALLER-VOLUME COHORT

Measure	Proposed Redistributions			
	Current Measure Weights		Proposed Measure Weights	
	Larger-Volume Cohort	Smaller-Volume Cohort	Larger-Volume Cohort	Smaller-Volume Cohort
OASIS-Based Measures				
Discharged to Community	5,833	8,333	-	-
Improvement in Dyspnea	5,833	8,333	6,000	8,571
Improvement in Management of Oral Medications	5,833	8,333	9,000	12,857
Total Normalized Composite (TNC) Change in Mobility	8,750	12,500	-	-
Total Normalized Composite (TNC) Change in Self-Care	8,750	12,500	-	-
DC Function	-	-	20,000	28,571
Sum of OASIS-based Measures	35,000	50,000	35,000	50,000
Claims-based Measures				
Acute-Care Hospitalizations (ACH)	26,250	37,500	-	-
Emergency Department Use Without Hospitalization (ED)	8,750	12,500	-	-
Potentially Preventable Hospitalization	-	-	26,000	37,143
Discharge to Community (DTC-PAC)	-	-	9,000	12,857
Sum of Claims-based Measures	35,000	50,000	35,000	50,000
HHC/HPS Survey-based Measures				
Care of Patients	6,000	0,000	6,000	0,000
Communications Between Providers and Patients	6,000	0,000	6,000	0,000
Specific Care Issues	6,000	0,000	6,000	0,000
Overall Rating of Home Health Care	6,000	0,000	6,000	0,000
Willingness to Recommend the Agency	6,000	0,000	6,000	0,000
Sum of HHC/HPS Survey-based Measures	30,000	0,000	30,000	0,000
Sum of All Measures	100,000	100,000	100,000	100,000

Note: The weights of the measure categories, when one category is missing, are based on the relative weight of each category when all measures are used. For example, if an HHA is missing the HHC/HPS category, the remaining two measure categories (OASIS-based and claims-based) represent 50 percent.

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Home Health Value Based Purchasing Program (HHVBP)

Appeals:

- Proposing to amend § 484.375(b)(5) to specify that an HHA may request Administrator review of a reconsideration decision within 7 days from CMS' notification to the HHA contact of the outcome of the reconsideration request.
- Proposing that the CMS Administrator may decline to review the reconsideration decision, render a final determination, or choose to take no action on the request for administrative review. Reconsideration decisions are considered final if the CMS Administrator declines an HHA's request for review or if the CMS Administrator does not take any action on the HHA's request for review within 14 days.

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Home Intravenous Immune Globulin (IVIG)

- Demonstration project since 2014
- CAA, 2023 permanent program
- Effective 1/2024
- Coverage and payment of items and services related to administration of IVIG in a patient's home (bundled payment)
- Dx of primary immune deficiency disease (PID)
- Covered under DMEPOS benefit, not HIT benefit
- Standard copays and deductibles apply
- Patients under a Medicare home health POC not eligible

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Home Intravenous Immune Globulin (IVIG)

“.... Thus, if an HHA is unable to furnish the items and services related to the administration of IVIG (as indicated in the plan of care) in the home, they are responsible for arranging these services (including arranging for services in an outpatient facility) and are required to bill these services as home health services under the HH PPS.”

-
- § 409.47 Place of service requirements.
- To be covered, home health services must be furnished in either the beneficiary's home or an outpatient setting as defined in this section.
- ,.....
- (b) *Outpatient setting*: For purposes of coverage of home health services, an outpatient setting may include a hospital, SNF or a rehabilitation center with which the HHA has an arrangement in accordance with the requirements of [§ 484.105\(e\) of this chapter](#) and that is used by the HHA to provide services that either—
 - (1) Require equipment that cannot be made available at the beneficiary's home; or
 - (2) Are furnished while the beneficiary is at the facility to receive services requiring equipment described in [paragraph \(b\)\(1\)](#) of this section.

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Lymphedema Therapy Benefit

- **New Part B benefit category- CAA, 2023**
- **Effective 1/2024**
- **Covers standard and custom fitted gradient compression garments and other approved items (bundled)**
- **Enrolled DMEPOS supplier**
- **DMEPOS Quality standards apply**
- **Subject to competitive bidding competitive**
- **Billed to DME MAC**

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Lymphedema Therapy Benefit

Gradient compression stockings/wraps as surgical supplies for stasis venous ulcers

- **New HCPCS codes for gradient compression stockings/wrap to reflect surgical dressings (current: A6531, A6532, and A6545)**
- **New HCPC codes and pricing for lymphedema items**

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Provider Enrollment

- **Added § 424.527(a) New provider defined for provisional period of enhanced oversight (PPEO)**
 - A newly enrolling Medicare provider or supplier
 - A certified provider or certified supplier undergoing a change of ownership
 - A provider or supplier (including an HHA or hospice) undergoing a 100 percent change of ownership via a change of information.
- **Added § 424.527(b) The effective date of the PPEO's commencement is the date on which the new provider or supplier submits its first claim rather than the date the first service was performed or the effective date of the ownership change**

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Provider Enrollment

- Added § 489.52(b)(4) that a provider may request a retroactive termination date, but only if no Medicare beneficiary received services from the facility on or after the requested termination date.
- Revised § 424.540(a)(1) to change the 12-month time frame to 6 month for deactivations related to non-billing.
- Added § 424.518(c)(1)(viii) that would incorporate within the high-screening category revalidating DMEPOS suppliers, HHAs, OTPs, MDPPs, and SNFs for which CMS waived the FBCBC requirement when they initially enrolled in Medicare (e.g. PHE).

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Provider Enrollment

Establish a revised paragraph that would include within the moderate-risk category revalidating DMEPOS suppliers, HHAs, OTPs, MDPPs, SNFs, and hospices that underwent FBCBCs:

- (1) when they initially enrolled in Medicare; or
- (2) upon revalidation after CMS waived the FBCBC requirement provider or supplier initially

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Provider Enrollment

- Finalized extending the maximum length of a reapplication bar under § 424.530(f) to 10 years from 3 years – denials
- Finalized that a provider or supplier that is currently subject to a reapplication bar may not order, refer, certify, or prescribe Medicare-covered services, items, or drugs.
- Finalized that Medicare does not pay for any otherwise covered service, item, or drug that is ordered, referred, certified, or prescribed by a provider or supplier that is currently under a reapplication bar

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Requests for information

CMS summarized comments:

- Access to Home Health Aide Services
- Principles for Selecting and Prioritizing HH QRP Quality Measures and Concepts under Consideration for Future Years

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Upcoming NAHC Hospice Webinar

Tuesday, November 7 | 12:00 PM - 1:00 PM EDT

UPDATE: Hospice Regulatory Provisions

With the release of the CY2024 Home Health final rule and the CY2024 Physician Fee Schedule final rule, the Centers for Medicare & Medicaid Services (CMS) have enacted changes that will greatly affect hospices.

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Upcoming NAHC/HHFMA Webinar

Thursday, November 16 | 2:00 PM - 3:00 PM EDT

Innovation in Home-Based Technology

What is the current state of innovation and adoption considering changes? Hear from these innovators directly as we examine challenges and the exciting future of home-based technology.