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Session 3 – Everything You Wanted to Know About the 2022 Hospice and Home Health Updates, and More

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Key Takeaways from Medicare Home Health and Hospice 2022 Final Payment Rules

Home Health

- Payment Updates
  - CMS estimates that Medicare payments to HHAs in CY 2022 will increase in the aggregate by 3.2% or $570M
    - includes a base payment rate update of 2.6% (or now $2.031.64)
  - CMS finalized the recalibration of the patient-driven groupings model (PDGM) case-mix weights, functional levels, and comorbidity adjustment subgroups
  - CMS maintained the CY 2021 low utilization payment adjustment (LUPA) thresholds for CY 2022 to more accurately pay for the types of patients HHAs are serving
    - LUPA rates declined by 2% for providers not submitting quality data
  - CMS is increased payment rates for home infusion therapy services by 5.1%

Home Health

- Expansion of Home Health Value-Based Purchasing (HHVBP)
  - CMS expanded the HHVBP model to all 50 states, while separating smaller and larger volume HHAs nationwide (rather than by state)
  - The original model tested whether payment incentives rewarding improved quality of care would result in better value and higher quality as measured by improvement and achievement of certain metrics derived from OASIS, claims data, and HHCAHPS surveys – which will continue
  - Results from the model program demonstrated a 4.6% improvement in quality scores and average annual savings of $141M
  - New will be splitting into large and small cohorts with small cohorts exempt from HHCAHPS surveys, and agencies will compete on a national and not state basis
  - Timeline:
    - CY 2022: pre-implementation year
    - CY 2023: first performance year
    - CY 2025: first payment year (with 2019 being the baseline year)

Home Health

- Home Health Quality Reporting Program Updates
  - Improves the Home Health Quality Reporting Program by instituting a claims-based measure addressing concerns surrounding attribution
  - More strongly associated with positive patient outcomes
  - Removed measures regarding:
    - Drug Education on all Medications Provided to Caregiver/Patient, and
    - Acute Care Hospitalization during First 60 Days of Home Health as measures.
    - Determined to no longer be improving performance
  - Replaced with Home Health Within Stay Potentially Preventable Hospitalization Claims (beginning CY 2023)
  - Also requires addition of public reporting of percent of residents experiencing major falls with injury

Home Health

- Home Health Conditions of Participation (CoP)
  - CMS makes permanent the changes to the Home Health CoPs implemented during the COVID-19 public health emergency, including:
    - removal of requirement that RN must directly supervise home health aides providing care to patients not receiving skilled care
    - replaced with requirement to assess quality of care and services provided by the aide to ensure meeting patient needs (plus, RN to complete one semi-annual on-site visit to patient for each aide)
    - permits the use of telecommunications in conducting 14-day patient supervisory assessments
      - HHAs can conduct one 14-day supervisory assessment via telecommunications per 60-day period, remainder would be on-site, in-person
    - permits OTs to conduct initial assessment visit and complete comprehensive assessment, but only when OT is on the HH plan of care

Hospice

- Key Payment Updates
  - 2% percent increase ($480 million) in payments for FY 2022 relative to FY 2021
  - Hospices failing to meet quality reporting requirements receive a 2% reduction to the annual hospice payment update
  - 2% increase in the aggregate hospice cap to $31,297.61 (FY 2021 cap amount of $30,683.93)
  - Rebases and revises labor shares for all four levels of care

Hospice

- CMS Survey and Enforcement Requirements
  - Finalized provisions to support transparency, oversight, and enforcement of health and safety requirement for hospice programs.
  - Enhanced the hospice program survey process by requiring multidisciplinary survey teams, prohibiting surveyor conflicts of interest, and expanding surveyor training options.
  - Required state survey agencies to facilitate a public inquiry and complaint hotline
  - Broadened enforcement options beyond termination of Medicare for noncompliant hospice programs to include CMPs, payment suspension, temporary management, directed in-service and directed plans of correction
  - Created “Special Focus Program” for poor performing hospices
  - CMS required public reporting of CMS State Survey Agency and Accrediting Organization survey findings
  - CMS required HHS and states to measure and reduce inconsistencies in survey findings

Home Health and Hospice

- Provider Enrollment Updates
  - CMS codifies into regulation former MPIM guidance:
    - finalized existing effective date policies to apply to additional providers,
    - added grounds for rejection or return of enrollment applications that are presently in the MPIM, but were not previously in the regulations,
    - finalized changes to rules relating to deactivation of Medicare enrollments,
    - finalized changes related to the requirements related to home health agency capitalization, and
    - clarified that HHAs utilizing the 36 month rule exception for two full cost reports, to require 2 consecutive years of full cost reports since initial enrollment or the last change in majority ownership, whichever is later.

Panelist Discussion

Topics up for Discussion

- Key Takeaways from Home Health and Hospice Final Payment Rules
- Impacts from Medicare Advantage expansion, current and future
- Latest trends and developments with regards to home health and hospice transactions
- Recent developments and anticipated developments and impacts arising from Acute Care at Home care model
- Effects from the Pandemic/Public Health Emergency
- *and if time allows*…taking a deeper dive on Home Health Value Based Purchasing and its anticipated impacts on home health operations and the marketplace.

Thank You

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