CMS Proposes Payment Rate Update to Home Health in 2022 *(NAHC Report)*

The 2022 proposed Medicare home health rates represent a simple inflation rate update, a proposal to recalibrate the case mix weights while maintaining the Low Utilization Payment Adjustment (LUPA) threshold amounts. A scheduled phasing-out of the rural add-on, and the continuation of outlier payment standards, with a decreased Fix Loss Ratio proposed for 2022.

Most notable, although not surprising, is the proposal to expand the Home Health Value Based Purchasing demonstration to the entire nation beginning January1, 2022 as the first performance year and CY 2024 as the first payment year, with a proposed maximum payment adjustment, upward or downward, of 5-percent. CMS proposes that the expanded Model would generally use benchmarks, achievement thresholds, and improvement thresholds based on CY 2019 data to assess achievement or improvement of HHA performance on applicable quality measures and that HHAs would compete nationally in their applicable size cohort, smaller-volume HHAs or larger-volume HHAs, as defined by the number of complete unique beneficiary episodes for each HHA in the year prior to the performance year.

All HHAs certified to participate in the Medicare program prior to January 1, 2021 would be required to participate and eligible to receive an annual Total Performance Score based on their CY 2022 performance.

Additionally, CMS proposes to end the original HHVBP Model one year early. CY 2020 performance data for the HHAs in the nine original Model States will not be used to apply payment adjustments for the CY 2022 payment year. CMS also proposes not to publicly report CY 2020 (performance year 5) annual performance data under the original HHVBP Model.

Here are some of the details on **the 2022 reimbursement proposals**.

- Base payment rates are increased by a net Market Basket Index of 1.8%. An annual inflation update of 2.4% is reduced by a 0.6% Productivity Adjustment to net at 1.8%. The results is that:
    - The base 30-day payment rate is increased from $1901.12 to $2013.43 after application of wage index budget neutrality factor of 1.0013 and case mix

recalibration neutrality factor of 1.0390. HHAs that do not submit required quality data have that rate reduced by 2%.

- The LUPA per visit rates are set at:
    - Home Health Aide $70.45
    - Medical Social Services $249.39
    - Occupational Therapy $171.24
    - Physical Therapy $170.07
    - Skilled Nursing $155.59
    - Speech-Language Pathology $184.86

- 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. Each discipline would get its own add-on rate. CMS is proposing to add a LUPA add -n factor for occupational therapists (OT) in response to the statutory change that permits OTs to conduct initial comprehensive assessment in certain circumstances.
- The area Wage Index that applies based on the patient's residence changed significantly in 2021 to reflect updated census information. Due to that significant change, CMS proposed to cap any reduction in the wage index for 2021 at 5%. However, the 5% cap will be lifted in CY 2022.
- The Outlier Fixed Dollar Loss is proposed to change to 0.41. That would mean that more periods will be eligible for outlier payments in CY 2022.
- The rural add-on phase-out continues
    - High Utilization areas—- 0% add-on
    - Low Population Density areas—1% add-no
    - All other areas—–0% add-on

MS is reminding stakeholders of the policies finalized in the CY 2020 HH PPS final rule with the implementation of a new one-time Notice of Admission (NOA) process starting in CY 2022.

Regulatory Changes -Payment Policies , Conditions of Participation, Provider Enrollment, and Home Infusion Therapy (HIT)

When implementing plan of care changes in the CY 2021 HH PPS final rule , the term "allowed practitioner" was inadvertently deleted from the regulation text at § 409.43. Therefore, CMS is proposing text changes at § 409.43 to reflect that allowed practitioners, in addition to physicians, may establish and periodically review the plan of care.

CMS is proposing conforming regulation text changes to permit the occupational therapist to complete the initial and comprehensive assessments for Medicare patients when ordered with another rehabilitation therapy service (speech language pathology or physical therapy) that establishes program eligibility, in the case where skilled nursing services are also not ordered.

Several changes to the home health Condition of Participation for home care aide supervisory visits are also proposed. First, they propose to revise the home health aide supervision requirements to allow for virtual supervision and adding the requirement that the skills related to any deficient skills be addressed. Second, CMS is revising the language at § 484.80(h)(2) to clarify that the every 60 day home care aide supervisory visit for patients not receiving skilled services is conducted on each patient and not on each aide caring for that patient. The proposed change would remove the language from 42 CFR 484.80(h)(2) that states, "in order to observe and assess each home health aide while he or she is performing care," and replacing it 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".

CMS is also addressing a number of provisions regarding Medicare provider and supplier enrollment and two regulatory clarifications related to HHA changes of ownership and HHA capitalization requirements.

Further, CMS is proposing to update the HIT payment rates for CY 2022.

Home Health Quality Reporting

This rulemaking also proposes changes to the Home Health Quality Reporting Program (QRP) to remove one measure, remove two claims-based measures and replace them with one claims-based measure, publicly report two measures, propose a modification to the effective date for the reporting of the Transfer of Health to Provider- Post Acute Care and Transfer of Health to Patient-Post Acute Care (TOH) measures and Standardized Patient Assessment Data Elements and requests information on two topics: advancing to digital quality measurement through the use of Fast Healthcare Interoperability Resources and our efforts surrounding closing the health equity gap. It also proposes modifications to the effective date for the reporting of TOH measures and certain Standardized Patient Assessment Data Elements.

Additionally, this proposed rule requests information on two topics: advancing to digital quality measurement through the use of Fast Healthcare Interoperability Resources and our efforts surrounding closing the health equity gap. It also proposes modifications to the effective date for the reporting of TOH measures and certain Standardized Patient Assessment Data Elements in the Inpatient Rehabilitation Facility (IRF) QRP and Long-Term Care Hospital (LTCH) QRP. In addition, this proposed rule would incorporate into regulation certain Medicare provider and supplier enrollment policies.

This proposed rule would update the HH QRP by removing an OASIS-based measure, the Drug Education on All Medications Provided to Patient/Caregiver During All Episodes of Care measure, from the HH QRP under measure removal factor 1: Measure performance among HHAs is so high and unvarying that meaningful distinctions in improvements in performance can no longer be made.

This proposed rule also proposes to replace the Acute Care Hospitalization During the First 60 Days of Home Health (NQF # 0171) measure and Emergency Department Use Without Hospitalization During the First 60 Days of Home Health (NQF #0173) measure with the Home Health Within Stay Potentially Preventable measure and proposes to publicly report the 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 (NQF #2631) measure beginning in April 2022.

Finally, this proposed rule proposes revisions for certain HHA QRP reporting requirements. This proposed rule would also revise similar compliance dates for certain IRF QRP and LTCH QRP requirements.

In section IV.C. of this proposed rule, we propose updates to the HH QRP including: the removal of one OASIS-based measure, replacement of two claims-based measures with one claims-based quality measure; public reporting of two measures; revising the compliance date for certain reporting requirements for certain HH QRP reporting requirements and requests for information regarding digital quality measures and health equity

CMS proposes to remove the Drug Education on All Medications Provided to Patient/Caregiver During All Episodes of Care measure from the HH QRP beginning with the CY2023 HH QRP under measure removal factor 1: Measure

performance among HHAs is so high and unvarying that meaningful distinctions in improvements in performance can no longer be made. This process measure is calculated using data collected on OASIS Item M2016. It reports the percentage of home health quality episodes during which the patient/caregiver was instructed on how to monitor the effectiveness of drug therapy, how to recognize potential adverse effects, and how and when to report problems (at the time of or at any time since the most recent SOC/ROC assessment).

CMS noted that the HH QRP also has another measure that it believes better addresses the Meaningful Measure area of medication management – the Improvement in Management of Oral Medications measure (M2020) which assesses the percentage of home health quality episodes during which the patient improved in the ability to take their oral medications. This measure demonstrates good variation among providers and there is room for improvement according to CMS' analysis of recent home health agency performance.

Additionally, the Drug Education on All Medications Provided to Patient/Caregiver During All Episodes of Care measure was removed from the HH Quality of Patient Care Star Ratings in April 2019 (now Care Compare) and replaced by the Improvement in Management of Oral Medications measure**.**

If finalized as proposed, HHAs would no longer be required to submit OASIS Item M2016, Patient/Caregiver Drug Education Intervention for the purposes of this measure beginning January 1, 2023, and data for this measure would be publicly reported on Care Compare through October 1, 2023, after which it would be removed from the site.

CMS is also proposing to replace the Acute Care Hospital During the First 60 Days of Home Health measure and the Emergency Department Use Without Hospitalization During the First 60 Days of Home Health measure with the Home Health Within Stay Potentially Preventable Hospitalization (PPH) Measure beginning with the CY 2023 HH QRP under measure removal factor 6: a measure that is more strongly associated with desired patient outcomes for the particular topic is available. This is a new proposed claims-based measure that assesses the agency-level risk-adjusted rate of potentially preventable inpatient hospitalization or observation stays for Medicare fee-for-service (FFS) beneficiaries that occur within a home health (HH) stay for all eligible stays for an agency. CMS believes that limiting the occurrence of avoidable observation stays would improve patient outcomes and reduce costs.

The proposed measure focuses on the subset of observation stays and inpatient hospitalizations that technical experts determined could be addressed by HHA intervention and are unplanned. A summary of the work and recommendations in these areas by the Technical Expert Panel (TEP) can be found in this 2019 summary report.

Additional details regarding the definition for potentially preventable hospitalizations are to be available in the document titled "Proposed PPH Measure Specification for the CY 2022 HH QRP NPRM" which will be available, but was not at the time this article was written, at https://www.cms.gov/Medicare/Quality-Initiatives-Patient-AssessmentInstruments/HomeHealthQualityInits/Home-Health-Quality-Measures

CMS proposes to publicly report the 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.

An agency's performance on these measures is currently available in the agency's confidential feedback reports. HHAs' HH QRP measure scores for these two measures would additionally be made available for review on the HH Provider Preview Report, which would be issued in January 2022, three months in advance of the inaugural display of these measures on Care Compare.

Due to the Public Health Emergency (PHE), in May 2020 through an interim final rule with comment (IFC) CMS delayed the requirement for HHAs to begin reporting the Transfer of Health (TOH) Information to PAC and the TOH Information to Patient-PAC measures and the requirement for HHAs to begin reporting certain Standardized Patient Assessment Data Elements to January 1st of the year that is at least one full calendar year after the end of the COVID–19 PHE.

CMS also delayed the adoption of the updated version of the Outcome and Assessment Information Set (OASIS) assessment instrument (OASIS-E) for which HHAs would report the TOH measures and certain Standardized Patient Assessment Data Elements (SPADEs) to January 1 of the of the year that is at least one full calendar year after the end of the COVID–19 PHE.

CMS is proposing to revise the compliance date from the IFC to January 1, 2023. **Since the PHE is expected to extend through the end of the 2021 calendar year, the January 1, 2023 date is the soonest date agencies were expecting to begin implementation of the OASIS-E and reporting of the TOH data and SPADEs**.

CMS reiterated that it would provide the training and education for HHAs to be prepared for this implementation and stated it would release a draft of the updated version of the OASIS instrument, OASIS-E, in early 2022 if the January 1, 2023 date is finalized as proposed.

Public comments on the proposed rule are due August 27, 2021.