



2023 Home Health Final Rule

- Rate Changes
- Case Mix Weight Changes
- OASIS Completion Changes
- Telehealth G-Codes
- Value-Based Purchasing Update



1

2023 PROPOSED Rule – Rate Update

- This rule proposes routine, statutorily required updates to the home health payment rates for CY 2023. CMS estimates that Medicare payments to HHAs in CY 2023 would decrease in the aggregate by -4.2% based on the proposed policies.
 - This decrease reflects the effects of the proposed 2.9% home health payment update percentage (\$560 million increase),
 - An estimated 6.9% decrease that reflects the effects of the proposed prospective, permanent behavioral assumption adjustment of -7.69% (\$1.33 billion decrease),
 - An estimated 0.2% decrease that reflects the effects of a proposed update to the fixed-dollar loss ratio (FDL) used in determining outlier payments (\$40 million decrease).



2

2023 FINAL Rule – Rate Update

- This rule finalizes updates to the home health payment rates for CY 2023.
 - The proposed 2.9% increase in the Market Basket was moved to 4.1% and a -1% productivity adjustment made.
 - Instead of the proposed -7.85% permanent rate reduction due to the behavioral adjustment, the final rule includes CMS only taking ½ of the adjustment -3.925% in 2023 and the remaining to be taken in future years.



3

2023 Final Rule – proposed/final base rate

TABLE B27: CY 2023 NATIONAL, STANDARDIZED 30-DAY PERIOD PAYMENT AMOUNT

| CY 2022 National Standardized 30-Day Period Payment | Permanent BA Adjustment Factor | Case-Mix Weights Budget Neutrality Factor | Wage Index Budget Neutrality Factor | CY 2023 HH Payment Update | CY 2023 National, Standardized 30-Day Period Payment |
|---|--------------------------------|---|-------------------------------------|---------------------------|--|
| \$2,031.64 | 0.9231 | 0.9895 | 0.9975 | 1.029 | \$1,904.76 |

TABLE 17: CY 2023 NATIONAL, STANDARDIZED 30-DAY PERIOD PAYMENT AMOUNT

| CY 2022 National Standardized 30-Day Period Payment | CY 2023 Permanent BA Adjustment Factor | CY 2023 Case-Mix Weights Recalibration Neutrality Factor | CY 2023 Wage Index Budget Neutrality Factor | CY 2023 HH Payment Update | CY 2023 National, Standardized 30-Day Period Payment |
|---|--|--|---|---------------------------|--|
| \$2,031.64 | 0.96075 | 0.9904 | 1.0001 | 1.040 | \$2,010.69 |



4

2023 Proposed Rule – per visit rate

TABLE B29: CY 2023 NATIONAL PER-VISIT PAYMENT AMOUNTS

| HH Discipline | CY 2022 Per-Visit Payment Amount | Wage Index Budget Neutrality Factor | CY 2023 HH Payment Update | CY 2023 Per-Visit Payment Amount |
|---------------------------|----------------------------------|-------------------------------------|---------------------------|----------------------------------|
| Home Health Aide | \$71.04 | 0.9992 | 1.029 | \$73.04 |
| Medical Social Services | \$251.48 | 0.9992 | 1.029 | \$258.57 |
| Occupational Therapy | \$172.67 | 0.9992 | 1.029 | \$177.54 |
| Physical Therapy | \$171.49 | 0.9992 | 1.029 | \$176.32 |
| Skilled Nursing | \$156.90 | 0.9992 | 1.029 | \$161.32 |
| Speech-Language Pathology | \$186.41 | 0.9992 | 1.029 | \$191.66 |



5

2023 Final Rule – per visit rate

TABLE 19: CY 2023 NATIONAL PER-VISIT PAYMENT AMOUNTS

| HH Discipline | CY 2022 Per-Visit Payment Amount | CY 2023 Wage Index Budget Neutrality Factor | CY 2023 HH Payment Update | CY 2023 Per-Visit Payment Amount |
|---------------------------|----------------------------------|---|---------------------------|----------------------------------|
| Home Health Aide | \$71.04 | 1.0007 | 1.040 | \$73.93 |
| Medical Social Services | \$251.48 | 1.0007 | 1.040 | \$261.72 |
| Occupational Therapy | \$172.67 | 1.0007 | 1.040 | \$179.70 |
| Physical Therapy | \$171.49 | 1.0007 | 1.040 | \$178.47 |
| Skilled Nursing | \$156.90 | 1.0007 | 1.040 | \$163.29 |
| Speech-Language Pathology | \$186.41 | 1.0007 | 1.040 | \$194.00 |



6

Case-Mix Weight Changes Proposed 2023

- Each of the 432 payment groups under the PDGM has an associated case-mix weight and Low Utilization Payment Adjustment (LUPA) threshold. CMS' policy is to annually recalibrate the case-mix weights and LUPA thresholds using the most complete utilization data available at the time of rulemaking.
- In the Final Rule, CMS is finalizing to recalibrate the case-mix weights (including the functional levels and comorbidity adjustment subgroups) and LUPA thresholds using CY 2021 data to more accurately pay for the types of patients HHAs are serving.



7

Case-Mix Weight Changes Finalized 2023

- 238 groups: -5% - 0% change in weights
- 183 groups: 0% - +5% change in weights
- 10 groups: +5% - +10% change in weights
- 1 group: 10% - 12% increase in weights
- Changes to the PDGM case-mix weights are implemented in a budget neutral manner



8

Finalized Wage Index Changes

- Finalized a permanent 5% cap on any decrease to a wage index from its wage index in the prior year, regardless of the circumstances causing the decline.
- Finalized that a wage index for CY 2023 would not be less than 95 percent of its final wage index for CY 2022, regardless of whether the geographic area is part of an updated CBSA
- Subsequent years, a wage index would not be less than 95% of its wage index calculated in the prior CY – also finalized, that if a prior CY wage index is calculated based on the 5% cap, then the following year's wage index would not be less than 95% of capped wage index



9

LUPA Threshold Finalized Changes 2023

- Original based on the 10th percentile of visits - based on 2021 the following is proposed in updating the LUPA Thresholds for 2023:
 - 120 case mix groups will have a reduction of 1 visit in the LUPA Threshold
 - 18 case mix groups will have an increase of 1 visit in the LUPA Threshold
 - 12 case mix groups will have a reduction of 2 visits in the LUPA Threshold
 - 2 case mix groups will have a reduction of 3 visits in the LUPA Threshold
 - 280 case mix groups will have NO CHANGE in the LUPA Threshold



10

LUPA Add-On Update – no change 2023

LUPA Add-On

- SN 1.8451
- PT 1.6700
- SLP 1.6266
- OT 1.6700 (2023 – will be updated after data is gathered from OT actually doing initial visits)

- To calculate the payment, multiply the per-visit payment amount for the first SN, PT, or SLP visit in LUPA episodes that occur as the only episode or an initial episode in a sequence of adjacent episodes by the appropriate factor to determine the LUPA add-on payment amount.
- For example, using the proposed CY 2022 per-visit payment rates for those 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 \$297.65 (1.8451 multiplied by \$161.32), subject to area wage adjustment.



11

Outlier

- ✓ The FDL ratio and the loss-sharing ratio are selected so that the estimated total outlier payments do not exceed the 2.5 percent aggregate level (as required by section 1895(b)(5)(A) of the Act).
- ✓ Historically, we have used a value of 0.80 for the loss-sharing ratio, which, we believe, preserves incentives for agencies to attempt to provide care efficiently for outlier cases. With a loss-sharing ratio of 0.80, Medicare pays 80 percent of the additional estimated costs that exceed the outlier threshold amount.
- ✓ **Using CY 2021 claims data (as of March 21, 2022) and given the statutory requirement that total outlier payments do not exceed 2.5 percent of the total payments estimated to be made under the HH PPS, we are proposing an FDL ratio of 0.35 for CY 2023. (2022 = 0.40)**



12

Telehealth Data Collection 2023

To collect more complete data on the use of telecommunications technology in the provision of home health services, we are soliciting comments on the collection of such data on home health claims, which we aim to begin collecting by January 1, 2023 on a voluntary basis by HHAs, and will begin to require this information be reported on claims by July of 2023.

Three New G-Codes:

- identifying when home health services are furnished using synchronous telemedicine rendered via a real-time two-way audio and video telecommunications system;
- synchronous telemedicine rendered via telephone or other real-time interactive audio-only telecommunications system;
- and the collection of physiologic data digitally stored and/or transmitted by the patient to the home health agency, that is, remote patient monitoring. We would capture the utilization of remote patient monitoring through the inclusion of the start date of the remote patient monitoring and the number of units indicated on the claim.



13

Telehealth Data Collection 2023

Starting on or after January 1, 2023, you may voluntarily report the use of telecommunications technology in providing HH services on HH payment claims. We'll require this information on HH claims starting on July 1, 2023. You'll submit the use of telecommunications technology on the HH claim using the following 3 G-codes:

- G0320: Home health services furnished using synchronous telemedicine rendered via a real-time two-way audio and video telecommunications system
- G0321: Home health services furnished using synchronous telemedicine rendered via telephone or other real-time interactive audio-only telecommunications system
- G0322: The collection of physiologic data digitally stored and/or transmitted by the patient to the home health agency (for example, remote patient monitoring)

Report the use of remote patient monitoring that spans a number of days as a single line item showing the start date of monitoring and the number of days of monitoring in the units field. You'll submit services provided via telecommunications technology in line-item detail. Report each service as a separate dated line under the appropriate revenue code for each discipline providing the service. You must document the medical record to show how the telecommunications technology helps to achieve the goals outlined on the plan of care.



14

PDGM Coding Changes

There are 155 ICD-10 codes that are being removed from the Primary Diagnosis List for PDGM

Finalizing the reassignment of:

- B78.9 (strongyloidiasis, unspecified) from clinical group C (Wounds) to clinical group K (MMTA - Infectious Disease, Neoplasms, and Blood-Forming Diseases) and
- N83.201 (unspecified ovarian cyst, right side) from clinical group A (MMTA-Other) to clinical group J (MMTA - Gastrointestinal Tract and Genitourinary System) when listed as the principal diagnoses.

Reassignment of 37 diagnosis codes to a different comorbidity subgroup when listed as a secondary diagnosis, and the establishment of a new comorbidity subgroup for certain neurological conditions and disorders.



15

Comorbidity Adjustment

- No Comorbidity Adjustment
- Low Comorbidity Adjustment
 - One or more of **20** subgroups met (**2023 – 22 subgroups**)
 - Consists of one dx from subgroup
- High Comorbidity Adjustment
 - One or more of 87 subgroup interactions met (**2023 – 91 subgroup interactions**)
 - Consist of one dx from two different subgroup



16

Home Health OASIS Finalized Changes

In addition to OASIS-E Implementation effective January 1, 2023 – there are changes, INCLUDING the FINALIZING of requirement of OASIS to be completed on ALL payers and ALL OASIS be transmitted to the database and ALL OASIS be used in risk adjusted outcome calculations!

- 2027 HH QRP – July 1, 2025-June 30, 2026
- 2028 HH QRP –July 1, 2026-June 30, 2027
- Recognizes potential burden for HHAs
- Provide CMS with robust quality of care information

With a two-quarter phase-in...Agencies may begin transmitting this data January 1, 2025, but will not be required until July.



17

OASIS-E Overview

3.2 OASIS-E Sections

OASIS-E includes the following sections:

| Section | Title | Section | Title |
|---------|---|---------|--|
| A | Administrative Information • Patient Tracking | H | Bowel and Bladder |
| B | Hearing, Speech, and Vision | I | Active Diagnoses |
| C | Cognitive Patterns | J | Health Conditions |
| D | Mood | K | Swallowing/Nutritional Status |
| E | Behavior | M | Skin Conditions |
| F | Preferences for Customary Routine Activities | N | Medications |
| G | Functional Status | O | Special Treatments, Procedures and Programs |
| GG | Functional Status: Functional Abilities and Goals | Q | Participation in Assessment and Goal Setting |



18

OASIS-E Overview



A1005 – A2124: New Identification Information items

B0200 Hearing and **B1300** Health Literacy added; M1200 changes to **B1000**-Vision with revised responses

C0100 – C1310: New Cognitive Patterns items; BIMS and CAM used for assessment

D0150 – D0160 New/revised Mood items; PHQ 2-9 added replacing M1730 with D0150. **D0700** Social Isolation item added

J0510 - J0520: New Health Conditions items for effect of pain on sleep and therapy. M1242 changes to **J0530** with revised responses and time period for consideration

K0520: New Swallowing and Nutritional Status items. M1030 Parenteral nutrition changes to K0520 and is revised

N0415: New Medication items to identify specific high risk drug classes patient is taking

O0110: Identifies special treatments, procedures, and programs patient uses (i.e. chemotherapy, radiation, oxygen, suction, trach care, ventilator/BiPAP/CPAP, IV meds, transfusions, dialysis, etc.)



19

OASIS-E Overview

| | | Delete | Delete | Delete |
|--------------------|--|--------|--------|--------|
| M2016 | Patient/CG Drug Education Intervention | | | |
| M0140 | Race/Ethnicity | | | |
| M1200 | Vision | | | |
| M1730 | Depression Screening | | | |
| M1910 | Falls Risk Assessment | | | |
| M1242 | Frequency of Pain Interfering | | | |
| M1051 | Pneumococcal Vaccine | | | |
| M1056 | Reason Pneumococcal Vaccine not Received | | | |
| M2401 Row A | Diabetic Foot Care | | | |



20

Items Completely Removed from FOLLOW-UP OASIS

| | |
|-------|---|
| M1610 | Urinary Incontinence or Urinary Catheter Presence |
| M1620 | Bowel Incontinence Frequency |
| M1630 | Ostomy for Bowel Elimination |
| M1021 | Primary Diagnosis |
| M1023 | Other Diagnoses |
| M1400 | When is patient dyspneic or SOB |
| M1311 | Current Number of Unhealed PU at Each Stage |
| M1322 | Current Number of Stage 1 PU |
| M1324 | Stage of Most Problematic Unhealed PU that is Stageable |
| M1330 | Stasis Ulcer |
| M1332 | Current Number of Stasis Ulcers |
| M1334 | Status of Most Problematic Stasis Ulcer Observable |
| M1340 | Surgical Wound |
| M1342 | Status of Most Problematic Surgical Wound Observable |
| M2030 | Management of Injectable Medications |
| M2200 | Therapy Need |



21

Home Health Value-Based Purchasing Model

Home Health Value-Based Purchasing is set to begin January 1, 2023

- FINAL Rule for 2023 finalizes that CMS is changing the HHA Baseline and Model Baseline Years to 2022 INSTEAD of 2019.
- All agencies certified prior to January 1, 2022 will participate in HHVBP for 2023.

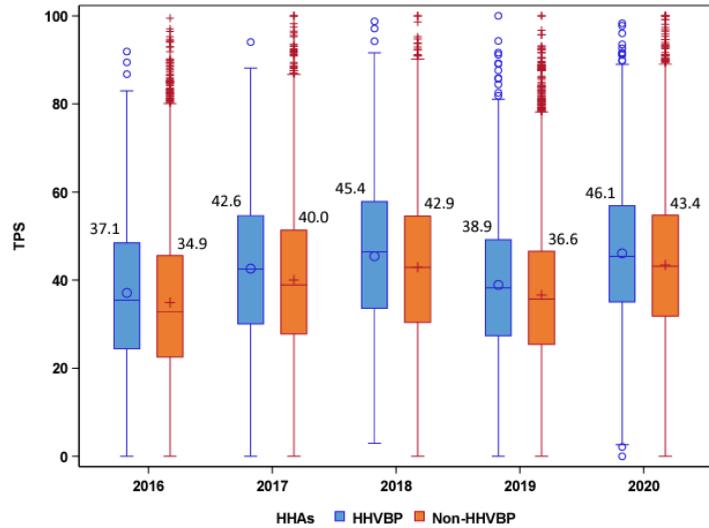


22

Performance Year 5

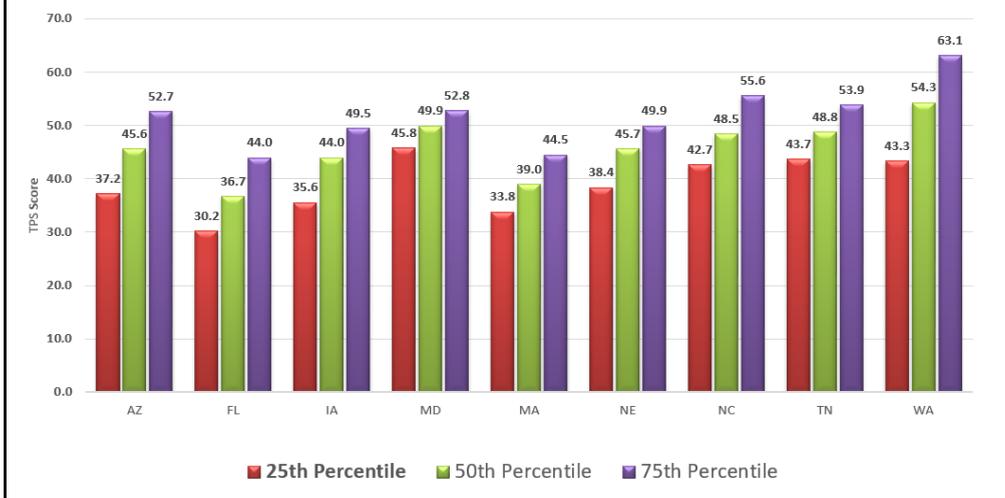
CMS ended the program early and not applying any adjustments from the PY 5 due to uncertainties from the pandemic and the exempted quarters – 2020 is not being used in any reporting or payment adjustments

Exhibit 48. Higher Agency TPS Values in HHVBP versus Non-HHVBP States, 2016 – 2020



23

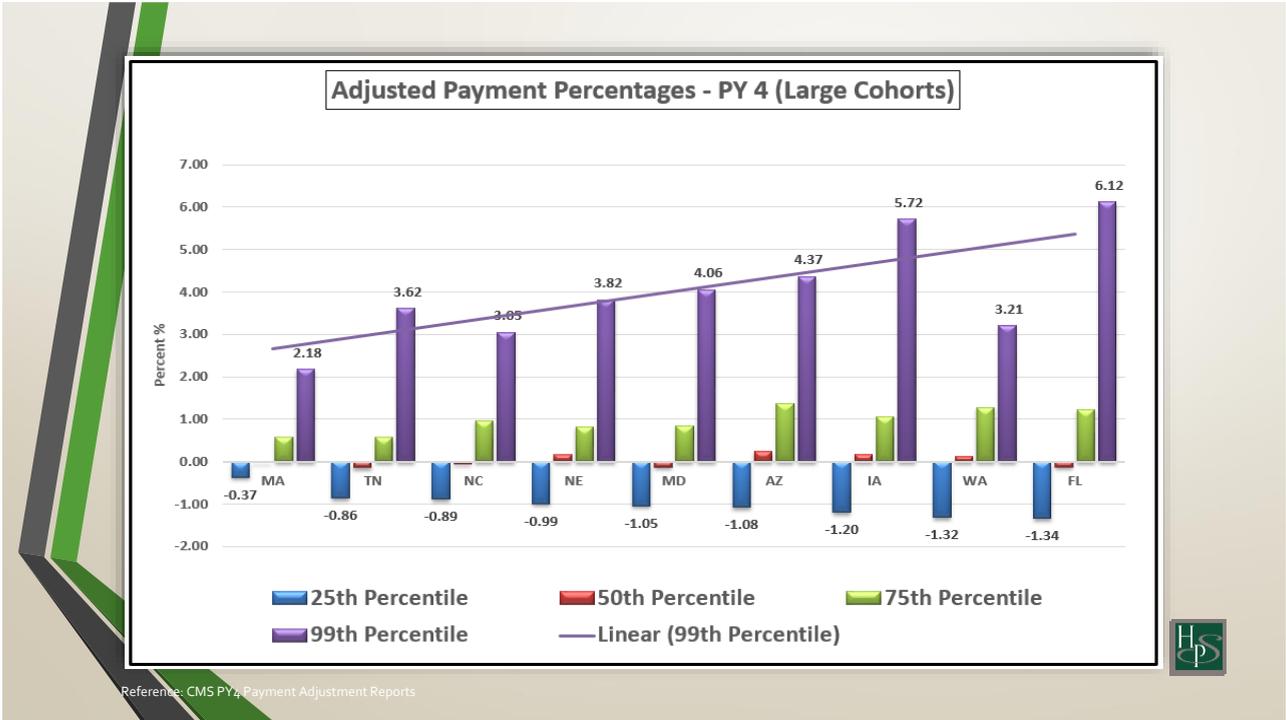
Large Cohort TPS Scores by State



Reference: CMS PY4 Payment Adjustment Reports



24



25

Performance Feedback Reports: Timeline, CY 2023 Performance Year & CY 2025 Payment Year

| Report Title (Month Issued) | OASIS-based Measures | Claims-based and HHCAHPS Survey-based Measures |
|--|-----------------------------|--|
| July 2023 IPR (July 2023) | 12 months ending 3/31/2023 | Baseline data only |
| October 2023 IPR (October 2023) | 12 months ending 6/30/2023 | 12 months ending 3/31/2023 |
| January 2024 IPR (January 2024) | 12 months ending 9/30/2023 | 12 months ending 6/30/2023 |
| April 2024 IPR (April 2024) | 12 months ending 12/31/2023 | 12 months ending 9/30/2023 |
| July 2024 IPR (July 2024) | 12 months ending 3/31/2024 | 12 months ending 12/31/2023 |
| Annual TPS and Payment Adjustment Report (Preview version, Aug 2024) | 12 months ending 12/31/2023 | 12 months ending 12/31/2023 |

26

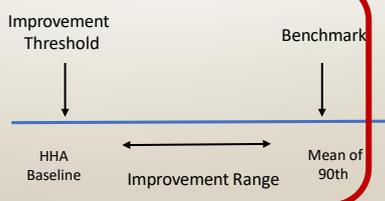
Achievement and Improvement Thresholds (continued)

Achievement Threshold
The median (50th percentile) of Medicare-certified HHAs' performance on each quality measure during the designated baseline year, calculated separately for the larger and smaller-volume cohorts.



Benchmark
The mean of the top decile (90th percentile) of all HHAs' performance scores on the specified quality measure during the baseline year, calculated separately for the larger and smaller-volume cohorts.
Used to calculate both the achievement score and the improvement score.

Improvement Threshold
An individual HHAs' performance on an applicable measure during the HHA's designated baseline year.



Benchmarks & Achievement Thresholds (2019)

| Measure | Measure Category | Benchmarks* | | Achievement Thresholds** | |
|--|----------------------|----------------------|-----------------------|--------------------------|-----------------------|
| | | Larger-volume Cohort | Smaller-volume Cohort | Larger-volume Cohort | Smaller-volume Cohort |
| Improvement in Management of Oral Medications | OASIS-based | 93.361 | 96.291 | 73.580 | 63.549 |
| Improvement in Dyspnea | OASIS-based | 96.651 | 99.327 | 82.042 | 68.670 |
| Total Normalized Composite (TNC) Change in Self-Care | OASIS-based | 2.349 | 2.522 | 1.827 | 1.545 |
| Total Normalized Composite (TNC) Change in Mobility | OASIS-based | 0.862 | 0.915 | 0.656 | 0.568 |
| Discharged to Community | OASIS-based | 83.429 | 90.867 | 71.992 | 69.623 |
| Emergency Department Use Without Hospitalization | Claims-based | 6.099 | 2.186 | 12.854 | 10.770 |
| Acute Care Hospitalizations | Claims-based | 8.976 | 4.597 | 15.058 | 13.598 |
| Care of Patients | HHCAHPS Survey-based | 94.372 | 95.379 | 88.948 | 86.618 |
| Communications Between Providers and Patients | HHCAHPS Survey-based | 92.832 | 92.385 | 86.465 | 83.038 |
| Specific Care Issues | HHCAHPS Survey-based | 92.214 | 94.762 | 83.651 | 83.224 |
| Overall Rating of Home Health Care | HHCAHPS Survey-based | 93.946 | 95.904 | 85.306 | 81.428 |
| Willingness to Recommend the Agency | HHCAHPS Survey-based | 90.890 | 88.683 | 79.876 | 73.698 |





29

Thank You for Participating!

Melinda A. Gaboury

info@healthcareprovidersolutions.com

www.healthcareprovidersolutions.com

615.399.7499

30