**CMS Home Health Update**

The Centers for Medicare & Medicaid Services (CMS) has proposed reducing Medicare home health payments by 1% in CY2017, or $180 million. The proposed rule ([CMS-1648-P](https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/Home-Health-Prospective-Payment-System-Regulations-and-Notices-Items/CMS-1648-P.html)) [Medicare and Medicaid Programs; CY 2017 Home Health Prospective Payment System Rate Update; Home Health Value-Based Purchasing Model; and Home Health Quality Reporting Requirements](https://s3.amazonaws.com/public-inspection.federalregister.gov/2016-15448.pdf)published in the [Federal Register](https://www.federalregister.gov/articles/2016/07/05/2016-15448/medicare-and-medicaid-programs-cy-2017-home-health-prospective-payment-system-rate-update-home) on July 5, 2016 would:

* **CY 2017 proposed Payment**- Update the Medicare Home Health Prospective Payment System (HH PPS) rates and wage index for calendar year (CY) 2017 by implementing a 2.3% home health payment update or $420 million increase and the final year of the four year phase-in of the rebasing adjustments that results in a $420 million decrease in the rebasing adjustment to the national, standardized 60-day episode payment rate, the national per-visit payment rates and the non-routine Medicare supplies conversion factor. The proposed payment adjustment also includes a $160 million decrease reflecting the effects of a 0.97% decrease adjustment to the national, standardized 60-day episode payment rate for a case-mix growth impact of -0.97 percent in CY 2017 to account for nominal case-mix growth between CY 2012 and CY 2014 (i.e., case-mix growth that does not reflect changes in patient acuity) and the effects of the $20 million decrease or 0.1% decrease in the proposed increase to the fixed-dollar loss ratio used in determining outlier payments. The CY 2017 proposed rule would result in a 1.0 percent decrease (-$180 million) in payments to HHAs.
* **Outlier payments**- CMS is also proposing changes to the methodology used to calculate outlier payments.
* **New payment determination measures for 2018**- Adopt four new payment determination measures for 2018 to meet the requirements of Improving Medicare Post-Acute Care Transformation Act (IMPACT) of 2014. These measures include preventable hospital readmission rates, total estimated Medicare spending per beneficiary, discharge to the community and medication reconciliation.
* **Changes to the**[**Home Health Value-Based Purchasing (HHVBP) program**](http://www.leadingage.org/Value_Based_Purchasing_Program_Affects_Home_Health_Agency_Reimbursement.aspx)- Home health agencies in the nine states under the Home Health Value-Based Purchasing (HHVBP) program will see their payments adjusted, either upward or downward based on performance score on a set of measures. The first payment adjustment of 3% will begin in 2018, followed by a maximum adjustment of 5% in 2019, 6% in 2020, 7% in 2021 and 8% in 2022. The nine-state pilot program is taking place in Maryland, Massachusetts, Florida, Washington, North Carolina, Arizona, Nebraska, Iowa and Tennessee. CMS proposes calculating benchmarks and achievement thresholds at the state level rather than the level of the size-cohort and change the definition of “benchmark” to refer to the meant of the top decile of Medicare-certified HHA performance on the specified quality measure during the calculated period for each state. CMS also proposed requiring a minimum of eight HHAs to qualify as a size-cohort, as well as remove four measures from the quality reporting and increasing the time frame to submit New Measure data from seven calendar days to 15 calendar days at the end of each reporting period to reflect weekends and holidays. CMS could remove four measures including Care Management: Types and Sources of Assistance, Prior Functioning ADL/IADL, Influenza Vaccine Data Collection Period and Reason Pneumococcal Vaccine Not Received. The proposal also includes an adjustment to the reporting period and submission date for the Influenza Vaccination Coverage for Home Health Personnel measure to an annual submission instead of a quarterly submission. CMS is proposing to add an appeals process with the existing recalculation process and a new reconsideration process.
* **Negative Pressure Wound Therapy** -As required by the Consolidated Appropriations Act of 2016, CMS proposes changes in payment for Negative Pressure Wound Therapy (NPWT) performed using a disposable device for patient’s under a home health plan of care.

LeadingAge is reviewing the proposed rule and will be submitting comments. Comments are due September 2, 2016.