



Temporary 3 Percent Rural Add-On for the Home Health Prospective Payment System (HH PPS) – JA6955

Note: JA6955 was revised to delete language stating that Medicare contractors would adjust claims processed prior to implementation of the revised Pricer. All other information remains the same.

Related CR Release Date: April 23, 2010 **Revised**

Date Job Aid Revised: May 6, 2010

Effective Date: April 1, 2010

Implementation Date: May 24, 2010

Key Words MM6955, CR6955, R674OTN, HH, PPS, Rural, 3 Percent, Temporary

Contractors Affected

- Medicare Administrative Contractors (MACs)
- Regional Home Health Intermediaries (RHHIs)

Provider Types Affected Provider types affected are Home Health Agencies (HHA) who bill RHHIs or MACs.



- Change Request (CR) 6955 updates the national episode rates and the national per-visit amounts under the HH PPS for calendar year (CY) 2010 for **episodes and visits ending on or after April 1, 2010, and before January 1, 2011 by adding 3 percent for HH services furnished in a rural area.**
- This rural add-on payment is specified in Section 3131 of the Patient Protection and Affordable Care Act of 2010 (PPACA).
- The 3 percent add-on will be implemented via the HH Pricer used to process provider claims..

TABLES 1 - 4b THAT SHOW THE RATES FOR HHAs THAT DO REPORT THE REQUIRED QUALITY DATA

Provider Needs to Know...

- Providers should refer to Table 1 for the calculations, which yield the CY 2010 updated national standardized 60-day episode payment rate for beneficiaries who reside in rural areas. These payments will be further adjusted by the individual episode's case-mix weight and wage index.

Table 1 - CY 2010 Total national standardized 60-day episode payment amount for a beneficiary who resides in a rural, non-CBSA area for HHAs that <u>Do submit required quality data.</u>		
National standardized 60-day episode payment amount for CY 2010	Multiplied by 3 percent rural increase	CY 2010 Total national standardized 60-day episode payment amount for a beneficiary who resides in a rural, non-Core Based Statistical Area (CBSA)
\$2,312.94	X 1.03	\$2,382.33

- Providers should refer to Table 2 for the national per-visit amounts for beneficiaries who reside in rural areas. The national standardized per-visit amounts are used to calculate low utilization payment adjustments (LUPAs) and outlier payments.

Table 2 - CY 2010 Total Per-Visit Rates for a beneficiary who resides in a rural, non-CBSA area for HHAs that <u>Do submit required quality data.</u>			
HH Discipline	CY 2010 Per-Visit Rate	Multiplied by 3 percent rural increase	CY 2010 Total Per-Visit Rates for a beneficiary who resides in a rural, non-CBSA area
HH Aide	\$51.18	X 1.03	\$52.72
Medical Social Services	\$181.16	X 1.03	\$186.59
Occupational Therapy	\$124.40	X 1.03	\$128.13
Physical Therapy	\$123.57	X 1.03	\$127.28
Skilled Nursing	\$113.01	X 1.03	\$116.40
Speech-Language Pathology	\$134.27	X 1.03	\$138.30

- Providers should refer to Table 3 for the CY 2010 LUPA add-on payment for beneficiaries who reside in rural areas. LUPA episodes that occur as initial episodes in a sequence of adjacent episodes or as the only episode receive an additional payment. The per-visit rates noted in Table 2 (above) are before that additional payment is added to the LUPA amount.

Table 3 - CY 2010 LUPA Add-On payment for a beneficiary who resides in a rural, non-CBSA area for HHAs that <u>Do submit required quality data.</u>		
CY 2010 LUPA Add-On Payment	Multiplied by 3 percent rural increase	CY 2010 LUPA Add-On payment for a beneficiary who resides in a rural, non-CBSA area
\$94.72	X 1.03	\$97.56

- Providers should refer to Table 4a for the non-routine supplies (NRS) conversion factor for CY 2010 payments for beneficiaries who reside in rural areas. The payments for NRS are computed by multiplying the relative weight for a particular severity level by the NRS conversion factor.

Table 4a - CY 2010 NRS Conversion Factor for a beneficiary who resides in a rural, non-CBSA area for HHAs that <u>Do submit required quality data.</u>		
CY 2010 NRS Conversion Factor	Multiplied by 3 percent rural increase	CY 2010 NRS Conversion Factor for a beneficiary who resides in a rural, non-CBSA area
\$53.34	X 1.03	\$54.94

- Providers should refer to Table 4b for the payment amounts for beneficiaries who reside in rural areas for the various severity levels based on the updated conversion factor.

Table 4b - NRS Payment Amount for HHAs that <u>Do submit required quality data.</u>			
Relative Weights for the 6-Severity NRS System			
Severity Level	Points (Scoring)	Relative Weight	NRS Payment Amount
1	0	0.2698	\$14.82
2	1 to 14	0.9742	\$53.52
3	15 to 27	2.6712	\$146.76
4	28 to 48	3.9686	\$218.03
5	49 to 98	6.1198	\$336.22
6	99+	10.5254	\$578.27

TABLES 5 - 8b THAT SHOW THE RATES FOR HHAs THAT DO NOT REPORT THE REQUIRED QUALITY DATA

- Providers should refer to Table 5 for the CY 2010 National Standardized 60-Day Episode Payment Rate for beneficiaries who reside in rural areas for HHAs who do not submit the required quality data.

Table 5		
National standardized 60-day episode payment amount for CY 2010 for HHAs that Do Not submit required quality data	Multiplied by 3 percent rural increase	CY 2010 Total national standardized 60-day episode payment amount for a beneficiary who resides in a rural, non-CBSA area for HHAs that Do Not submit required quality data
\$2,267.59	X 1.03	\$2,335.62

- Providers should refer to Table 6 for the national per-visit amounts for beneficiaries who reside in rural areas for HHAs that do not submit the required quality data. The national standardized per-visit amounts are used to calculate LUPAs and outlier payments.

Table 6			
HH Discipline	CY 2010 Per-Visit Rate	Multiplied by 3 percent rural increase	CY 2010 Per-Visit Rate for a beneficiary who resides in a rural, non-CBSA area for HHAs that Do Not submit required quality data
HH Aide	\$50.18	X 1.03	\$51.69
Medical Social Services	\$177.60	X 1.03	\$182.93
Occupational Therapy	\$121.96	X 1.03	\$125.62
Physical Therapy	\$121.15	X 1.03	\$124.78
Skilled Nursing	\$110.79	X 1.03	\$114.11
Speech-Language Pathology	\$131.64	X 1.03	\$135.59

- Providers should refer to Table 7 for the additional LUPA add-on amount for beneficiaries who reside in rural areas for HHAs that do not submit the required quality data. LUPA episodes that occur as initial episodes in a sequence of adjacent episodes or as the only episode receive an additional payment. The per-visit rates noted in Table 6 (above) are before that additional payment is added to the LUPA amount.

Table 7		
CY 2010 LUPA Add-On Payment	Multiplied by 3 percent rural increase	CY 2010 LUPA Add-On payment for a beneficiary who resides in a rural, non-CBSA area for HHAs that Do Not submit required quality data
\$92.86	X 1.03	\$95.65

- Providers should refer to Table 8a for the non-routine supplies NRS conversion factor for CY 2010 payments for beneficiaries who reside in rural areas to HHAs that do not submit the required quality data. Payments for NRS are computed by multiplying the relative weight for a particular severity level by the NRS conversion factor.

Table 8a		
CY 2010 NRS Conversion Factor	Multiplied by 3 percent rural increase	CY 2010 NRS Conversion Factor for a beneficiary who resides in a rural, non-CBSA area for HHAs that Do Not submit required quality data
\$52.29	X 1.03	\$53.86

- Providers should refer to Table 8b for the payment amounts for beneficiaries who reside in rural areas for the various severity levels based on the updated conversion factor.

Table 8b			
For HHAs that Do Not Submit the Required Quality Data -- Relative Weights for the 6-Severity NRS System			
Severity Level	Points (Scoring)	Relative Weight	NRS Payment Amount for HHAs that Do Not submit required quality data
1	0	0.2698	\$14.53
2	1 to 14	0.9742	\$52.47
3	15 to 27	2.6712	\$143.87
4	28 to 48	3.9686	\$213.75
5	49 to 98	6.1198	\$329.61
6	99+	10.5254	\$566.90

Background

- Section 3131 of the PPACA institutes, for HH services furnished in a rural area (as defined in Section 1886(d)(2)(D) of the Social Security Act (or Act) with respect to episodes and visits ending on or after April 1, 2010, and before January 1, 2016, that the Secretary of Health and Human Services increase by 3 percent the payment amount otherwise made under section 1895 of the Act.
- The statute waives budget neutrality related to this provision as it specifically states that the Secretary shall not reduce the standard prospective payment amount (or amounts) under Section 1895 of the Act applicable to HH services furnished during a period to offset the increase in payments resulting in the application of this section of the statute.
- The 3 percent rural add-on is applied to the national standardized 60-day episode rate, the national per-visit rates, the LUPA add-on payment amount, and the NRS on-routine supply conversion factor when HH services are provided in rural (non-CBSA) areas. The applicable case-mix and wage index adjustments are subsequently applied.
- All other provisions of the HH PPS final rule published on November 10, 2009, are still valid. The payment amounts are different based on whether or not an HHA reports the required quality data.

Operational
Impact

N/A

Reference
Materials

The related MLN Matters® article can be found at <http://www.cms.gov/MLN MattersArticles/downloads/MM6955.pdf> on the CMS website.

The official instruction (CR6955) issued regarding this change may be found at <http://www.cms.gov/Transmittals/downloads/R674OTN.pdf> on the CMS website.