



Revisions to the Home Health Pricer to Support Value-Based Purchasing and Payment Standardization

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Related CR Release Date: December 7, 2017 Effective Date: January 1, 2018

Related CR Transmittal Number: R3933CP Implementation Date: January 2, 2018

Note: This article was revised on December 8, 2017, to reflect the revised CR10167 issued on December 7. In the article, the CR release date, transmittal number, and the Web address for accessing the CR are revised. All other information is the same.

PROVIDER TYPE AFFECTED

This MLN Matters Article is intended for Home Health Agency (HHA) providers who submit claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

WHAT YOU NEED TO KNOW

Change Request (CR) 10167 revises the Medicare's Home Health Pricer to implement value-based purchasing (in nine states – see below) and payment standardization. It also adds consistency editing to ensure the accurate reporting of site-of-service G-codes on home health visit line items.

BACKGROUND

In the Calendar Year (CY) 2016 Home Health Prospective Payment System (HH PPS) final rule, the Centers for Medicare & Medicaid Services (CMS) finalized its proposal to implement the Home Health Value-Based Purchasing (HHVBP) Model in nine states representing each geographic area in the United States.

For all Medicare-certified HHAs that provide services in Arizona, Florida, Iowa, Maryland, Massachusetts, Nebraska, North Carolina, Tennessee, and Washington, payment adjustments will be based on each HHA's total performance score on a set of measures already reported via the Outcome and Assessment Information Set (OASIS) and the Home Health Care Consumer Assessment of Healthcare Providers and Systems (HHCAHPS) for all patients serviced by the HHA, or determined claims data, in addition to three new measures where performance points are achieved for reporting data.

The HHVBP Model, as finalized, will be tested by CMS' Center for Medicare & Medicaid Innovation (CMMI) under Section 1115A of the Social Security Act. CR 10167 makes the revisions needed to the HH Pricer program to accept the necessary adjustment factor to apply HHVBP adjustment and to capture the adjusted amount on the claim record.

Additionally, as part of many of its quality and program improvement initiatives, CMS utilizes standardized claims payment amounts and standardized beneficiary payment amounts. Standardized allowed amounts are actual payment amounts adjusted to remove sources of variation not directly related to decisions to utilize care, such as variation due to the application of hospital wage indexes and geographic practice cost indexes (GPCIs). Incentive payment and penalty adjustments are also not included in the standardized payment amounts. In other words, standardized amounts reflect a standard Medicare payment as though the incentive programs were not in effect. To facilitate accurate calculation of standardized claim amounts for HHAs and to facilitate their use by multiple CMS components, CR 10167 requires that standardized amounts be calculated by Medicare systems and passed on to claims history databases using the field created for hospital standardized payment amounts. These amounts do not affect the payment made to the HHA.

Finally, CR 10167 requires system changes to make HH and hospice claims processing more consistent. CR 6440 created edits on hospice claims to ensure that G-codes for service visits are reported with the corresponding revenue code for the service discipline. Similar editing does not exist for HH claims, even though the same G-codes and revenue codes are required. The requirements of CR 10167 create these edits for HH claims.

Note: To review the edits on hospice claims created by CR 6440, review MM6440, available at <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM6440.pdf>.

HHAs in the nine HHVBP states will have their payments adjusted (upward or downward) in the following manner:

- A maximum payment adjustment of 3 percent in CY 2018
- A maximum payment adjustment of 5 percent in CY 2019
- A maximum payment adjustment of 6 percent in CY 2020
- A maximum payment adjustment of 7 percent in CY 2021
- A maximum payment adjustment of 8 percent in CY 2022

Providers should be aware that MACs will return to the HHA:

- Home health claims (TOB 032x other than 0322) reporting revenue code 042x if the HCPCS code is other than Q5001, Q5002, Q5009, G0151, G0157, or G0159
- Home health claims (TOB 032x other than 0322) reporting revenue code 043x if the HCPCS code is other than Q5001, Q5002, Q5009, G0152, G0158, or G0160

- Home health claims (TOB 032x other than 0322) reporting revenue code 044x if the HCPCS code is other than Q5001, Q5002, Q5009, G0153, or G0161
- Home health claims (TOB 032x other than 0322) reporting revenue code 055x if the HCPCS code is other than Q5001, Q5002, Q5009, G0162, G0299, G0300, G0493, G0494, G0495, G0496
- Home health claims (TOB 032x other than 0322) reporting revenue code 056x if the HCPCS code is other than Q5001, Q5002, Q5009, or G0155
- Home health claims (TOB 032x other than 0322) reporting revenue code 057x if the HCPCS code is other than Q5001, Q5002, Q5009, or G0156

MACs will place the HH VBP adjustment amount on the claim as a value code QV amount. This may be a positive or a negative amount.

ADDITIONAL INFORMATION

The official instruction, CR 10167, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R3933CP.pdf>.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/>.

DOCUMENT HISTORY

Date of Change	Description
December 8, 2017	Article revised to reflect revised CR10167. In the article, the CR release date, transmittal number, and the Web address for accessing the CR are revised. All other information is the same.
August 7, 2017	Initial article released.

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