



News Flash – Attention: All Providers and Suppliers Selected to Participate in the 2010 Medicare Contractor Provider Satisfaction Survey (MCPSS) Your chance to complete the MCPSS is running out. CMS needs to hear from you. Now is the time to provide CMS with your feedback on your satisfaction with the performance of the Medicare contractor that processes and pays your fee-for-service (FFS) Medicare claims. If you have questions about the survey, need help completing or accessing the online survey tool, or you no longer have your survey access information, please call the MCPSS Provider Helpline at 1-800-835-7012 or send an email to mcpss@scimetrika.com. Someone on the MCPSS team will be happy to assist you. Survey responses may also be submitted by telephone, fax, or postal mail. Your feedback is urgently needed now. Don't delay. Please respond today! Don't pass up this golden opportunity to let your voice be heard! For more information about the MCPSS, please visit the CMS MCPSS website at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Research/MCPSS/index.html> , or read the CMS MLN Matters Special Edition article, SE1005, at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/SE1005.pdf> featuring the survey.

MLN Matters® Number: MM6955 **Revised**

Related Change Request (CR) #: 6955

Related CR Release Date: April 23, 2010

Effective Date: April 1, 2010

Related CR Transmittal #: R6740TN

Implementation Date: May 24, 2010

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

Note: This article was updated on December 6, 2012, to reflect current Web addresses. This article was previously revised on May 5, 2010, to delete language stating that Medicare contractors would adjust claims processed prior to implementation of the revised Pricer. All other information remains the same.

Provider Types Affected

Home Health Agencies (HHA) who bill Regional Home Health Intermediaries (RHHI) or Medicare Administrative Contractors (MAC) are impacted by this article.

Provider Action Needed

The Centers for Medicare & Medicaid Services (CMS) issued Change Request (CR) 6955 in order to update the national episode rates and the national per-visit

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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 home health 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 Home Health Pricer used to process your claims.

Background

Section 3131 of the PPACA institutes, **for home health 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 home health 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 Low Utilization Payment Adjustment (LUPA) Add-on payment amount, and the Non-routine supply (NRS) conversion factor when home health 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.

The following 5 tables show the rates for HHAs that DO report the required quality data:

Refer to Table 1 for the calculations which yield the calendar year (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-CBSA area
\$2,312.94	X 1.03	\$2,382.33

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The national standardized per-visit amounts are used to calculate low utilization payment adjustments (LUPAs) and outlier payments. The national per-visit amounts for beneficiaries who reside in rural areas are as follows:

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>			
Home Health 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
Home Health 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

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 above are before that additional payment is added to the LUPA amount. The CY 2010 LUPA add-on payment for beneficiaries who reside in rural areas is updated in Table 3.

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

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

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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

The payment amounts for beneficiaries who reside in rural areas for the various severity levels based on the updated conversion factor are shown in Table 4b.

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

The following five tables show the rates for HHAs that DO NOT report the required quality data:

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 is shown in Table 5 below.

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

The national standardized per-visit amounts are used to calculate low utilization payment adjustments (LUPAs) and outlier payments. The national per-visit amounts for beneficiaries who reside in rural areas for HHAs that do not submit the required quality data are as follows:

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Table 6			
Home Health 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
Home Health 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

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 above are before that additional payment is added to the LUPA amount. This additional LUPA add-on amount for beneficiaries who reside in rural areas for HHAs that do not submit the required quality data is updated in Table 7.

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

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

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

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\$52.29	X 1.03	\$53.86
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The payment amounts for beneficiaries who reside in rural areas for the various severity levels based on the updated conversion factor are calculated in Table 8b.

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

Additional Information

If you have questions, please contact your Medicare MAC and/or RHHI at their toll-free number which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

The official instruction associated with this CR6955, issued to your Medicare MAC and/or RHHI regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R6740TN.pdf> on the CMS website.

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