



SPECIAL EDITION

Thursday, October 31, 2019

News

- HHAs: CY 2020 Payment and Policy Changes and CY 2021 Home Infusion Therapy Benefit
- ESRD and DMEPOS CY 2020 Final Rule

News

HHAs: CY 2020 Payment and Policy Changes and CY 2021 Home Infusion Therapy Benefit

CMS issued a final rule with comment period that finalizes routine updates to the home health payment rates for CY 2020, in accordance with existing statutory and regulatory requirements. This rule with comment period includes:

- Modification to the payment regulations pertaining to the content of the home health plan of care
- Allows therapist assistants to furnish maintenance therapy
- Finalizes policies related to the split percentage payment approach under the Home Health Prospective Payment System (HH PPS)
- Final policies related to the implementation of the permanent home infusion therapy benefit in CY 2021, including payment categories, amounts, and required and optional adjustments, and solicits comments on options to enhance future efforts to improve policies related to coverage of eligible drugs for home infusion therapy
- Implementation of the Patient-Driven Groupings Model (PDGM), an alternate case-mix adjustment methodology with a 30-day unit of payment, mandated by the Bipartisan Budget Act of 2018 (BBA of 2018)

CMS projects that aggregate Medicare payments to Home Health Agencies (HHAs) in CY 2020 will increase by 1.3 percent, or \$250 million. This increase reflects the effects of the 1.5 percent home health payment update percentage (\$290 million increase), mandated by the BBA of 2018; and a 0.2 percent aggregate decrease (-\$40 million) in payments to HHAs due to the changes in the rural add-on percentages, also mandated by the BBA of 2018. The rate updates also include a budget-neutral adjustment to the CY 2020 30-day payment amount to offset anticipated provider behavior changes upon implementation of the PDGM; the use of updated wage index data for the home health wage index; and updates to the fixed-dollar loss ratio to determine outlier payments. Given the scale of the PDGM payment system changes for CY 2020, it may take HHAs more time before they fully implement the behavior assumed by CMS; therefore, we applied the three previously outlined behavior change assumptions to half of the 30-day periods in our analytic file, resulting in a smaller adjustment to the 30-day payment amount needed to maintain budget neutrality, as required by law. CMS is finalizing a CY 2020 30-day payment amount (for those HHAs that report the required quality data) of \$1,864.03.

The final rule also includes:

- Enhance and modernize program integrity while reducing regulatory burden
- Paraprofessional roles – Improving access to care
- Home Health Quality Reporting Program

- Home Health Value-Based Purchasing (HHVBP) Model

For More Information:

- [Final Rule](#)
- [Press Release](#)
- [HH PPS](#) website
- [HHA Center](#) website
- [PDGM](#) webpage
- [Home Infusion Therapy Services](#) website
- [Home Health Quality Reporting Requirements](#) webpage
- [HHVBP Model](#) webpage

See the full text of this excerpted [CMS Fact Sheet](#) (Issued October 31).

ESRD and DMEPOS CY 2020 Final Rule

On October 31, CMS issued a final rule that updates payment policies and rates under the End-Stage Renal Disease (ESRD) Prospective Payment System (PPS) for renal dialysis services furnished to beneficiaries on or after January 1, 2020. This rule also updates the Acute Kidney Injury (AKI) dialysis payment rate for renal dialysis services furnished by ESRD facilities to individuals with AKI and finalizes changes to the ESRD Quality Incentive Program.

In addition, this rule includes:

- Methodology for calculating fee schedule payment amounts for new Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) items and services and making adjustments to the fee schedule amounts established using supplier or commercial prices if such prices decrease within five years of establishing the initial fee schedule amounts
- Revises existing policies related to the competitive bidding program for DMEPOS
- Streamlines the requirements for ordering DMEPOS items and creates one Master List of DMEPOS items that could potentially be subject to face-to-face encounter and written order prior to delivery and/or prior authorization requirements
- Summaries of responses to requests for information on data collection resulting from the ESRD PPS technical expert panel, possible updates and improvements to the ESRD PPS wage index, and new rules for the competitive bidding of diabetic testing strips

CMS projects that the updates for CY 2020 will increase the total payments to all ESRD facilities by 1.6 percent compared with CY 2019. For hospital-based ESRD facilities, CMS projects an increase in total payments of 2.1 percent, while for freestanding facilities, the projected increase in total payments is 1.6 percent.

The final rule also includes:

- Update to the outlier policy
- Eligibility criteria for the Transitional Drug Add-on Payment Adjustment (TDAPA)
- Basis of payment for the TDAPA for calcimimetics
- Average sales price conditional policy for the application of the TDAPA
- New and innovative renal dialysis equipment and supplies
- Discontinuing the erythropoiesis-stimulating agent monitoring policy
- Requests for Information

For More Information:

- [Final Rule](#)
- [Press Release](#)

See the full text of this excerpted [CMS Fact Sheet](#) (Issued October 31).

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