CY 2017 Home Health Prospective Payment System Rate Update; Home Health Value-Based Purchasing and Home Health Quality Reporting Requirements

Topic	Proposal	VNAA Comment	Final Rule
Overall Payment Adjustment	CMS projects that Medicare payments to home health agencies in CY 2017 would be reduced by 1.0 percent, or $180 million based on the proposed policies	CMS should entirely revise this section of the proposed rule and instead include a policy that includes appropriate and positive reimbursement for home health providers. It should adopt an approach to payment adjustments that encourages rather than discourages investment by safety net providers.	CMS reduced the cut and now estimates that Medicare payments to home health agencies in CY 2017 would be reduced by 0.7 percent, or $130 million based on the finalized policies
Updates to Reflect Case-Mix Growth	CMS will implement a 0.97 percent reduction to the national, standardized 60-day episode rate in CY 2017 to account for nominal case-mix growth from 2012 to 2014 (prior to rebasing). CY 2017 will be the second year of the three-year phase-in of the reduction to account for nominal case-mix growth. CMS continues to phase in the last year of the rebasing cut and adds a duplicative phase-in of a cut for case mix creep aka "nominal average case mix increase."	VNAA has continuously objected to the four-year phase-in of rebasing. VNAA has urged CMS to adhere to the limits on home health rate cuts established by Congress. As such, we maintain that CMS should not implement the full final year cut under rebasing.	CMS finalized this provision as proposed
Case Mix Weights	CMS adjusted the case mix weights associated with the various Home Health Resource Groups (HHRGs) upon which the HHPPS system adjusts the actual payment made for each individual case.	CMS should produce significantly more detailed impact analyses to assure that the agency specific impacts of these ongoing adjustments to individual case mix weights are not creating unfair impacts on individual agencies that are lost in the aggregate impact analyses. While we value the attempt to improve distributive payment accuracy we are concerned that the current impact analysis is so broad at to mask potential impact issues.	CMS finalized this proposal with modifications using more recent data. CMS recalibrated scores for the case-mix adjustment variables, clinical and functional thresholds, payment regression model, and case-mix weights. For the final rule, the CY 2017 scores for the case-mix variables, the clinical and functional thresholds, and the case-mix weights were developed using complete CY 2015 claims data as of June 30, 2016. No additional proposals were made

			with regard to the recalibration methodology in the CY 2017 HH PPS proposed rule.
Wage Index	CMS has separately published on its website the wage index table that will be applicable to home health payments in 2017. CMS again uses the pre-floor, pre-reclassified wage index data produced for hospitals and based on hospital wage data rather than using home health data. It also persists in refusing to allow agencies to reclassify to more appropriate wage index areas even when hospitals in the same geographic location have been reclassified to higher wage index areas.	VNAA continues to believe that using the pre floor pre reclassified hospital wage data for HH is inherently flawed particularly because CMS persists in using hospital rather than home health data and refuses to allow HHA's to reclassify to the same level as hospitals in their area… It is time for CMS to address this problem seriously with the acknowledgment that, while hard and controversial, it is necessary.	CMS finalized this provision as proposed
Negative Pressure Wound Therapy	CMS proposes that in instances where the sole purpose of a home health agency visit (by a registered nurse, physical therapist or occupational therapist) is to provide NPWT using a disposable device, that Medicare will not pay for the visit under the home health prospective payment system. Rather, CMS proposes to have the furnishing of NPWT using a disposable device paid using the hospital outpatient prospective payment system (OPPS) amount, which CMS states, "includes payment for both the device and furnishing the service."	VNAA urges CMS to modify its payment policies associated with NPWT using a disposable device and implement Section 504 of the Consolidated Appropriations Act of 2016 to clarify that bill 34x is to be used for payment to a home health agency only for the device, and bill 32x is to be used for payment for home health visits relating to furnishing of NPWT using such disposable devices. VNAA urges CMS to clarify the scope of devices included in the statutory definition of an "applicable disposable device." The term "non-manual" is not defined in statute and not clarified in the proposed rule. VNAA recommends that CMS clarify that non-manual vacuum pumps may operate by either electrical or mechanical means.	CMS finalized this provision as proposed but offered examples of how to appropriately bill for NPWT.
Outlier Payments	CMS proposes to use "units of time" rather than "whole visit imputed costs by discipline" in its methodology of cost outlier payments.	VNAA seeks more information about the implications of the proposed cap on units of care. It is our belief that the 32 unit / eight hour a day definition of the proposed cap may inadvertently cause patients to discharge to or remain in skilled	CMS finalized this provision as proposed

		nursing facilities and needlessly increase overall healthcare expenditures. CMS should provide greater flexibility in this area	
HH Quality Reporting Program	CMS proposes to adopt for CY 2018 four measures of payment determination to meet the requirements of the IMPACT Act: All-condition risk-adjusted potentially preventable hospital readmission rates; Total estimated Medicare spending per beneficiary; Discharge to the community; and Medication reconciliation	VNAA conditionally supports the addition of these measures though raises concerns and questions about the implementation in home health settings	CMS finalized this policy as proposed
Pay-for-Submission of OASIS assessments	The Home Health Conditions of Participations (CoPs) require HHAs to submit OASIS assessments as a condition of payment and for quality measurement purpose. HHAs that do not submit quality measure data are subject to a two percent reduction in their annual payment update (APU). This will be incrementally increased over a three-year period beginning in 2017.	CMS must monitor this implementation and report data to ensure the smooth implementation of this process. They must provide appropriate notice for agencies that are falling short so that remedies can be taken. VNAA also calls on CMS to quickly and urgently publish revised CoP as soon as possible.	CMS finalized this provision as proposed. CoP have not been published to date and are currently with OMB.
Removal of "topped out" measures	CMS has identified 28 HH measures that were either "topped out" or determined to be of limited clinical and quality improvement value. These measures will no longer be included in the HHQI.	VNAA appreciates that CMS continues to refine the home health measures and data set. The removal of topped out measures is critical for continued quality improvement.	CMS finalized this provision as proposed.
HHBVP Cohort size	CMS proposes to eliminate Smaller- and Larger-Volume Cohorts solely for the purposes of setting Performance Benchmarks and Thresholds	VNAA supports CMS' proposal to calculate the benchmarks and achievement thresholds at the STATE level only (and not with the cohorts) beginning with CY2016. However, we encourage CMS to annually monitor and report the differential impact of unified state-level benchmarks and achievement thresholds by the smaller- and larger-volume cohorts to ensure that this policy does not produce unintended consequences.	CMS finalized this provision as proposed
Remove Measures from HHVBP	CMS proposes to remove four measures from the measure set beginning with the CY 2016 PY calculations: Care Management: Types and Sources	We support the removal of these measures and encourage CMS to continue to streamline the quality measures.	CMS finalized this provision as proposed

Measures Set	of Assistance; Prior Functioning ADL/IADL; Influenza Vaccine Data Collection Period and Reason Pneumococcal Vaccine Not Received. The quality measures will no longer be known as the "starter set."	VNAA has no issue with eliminating the phrase "starter set" from the quality measures set.	
Reporting on New Measure	CMS proposes to require annual rather than quarterly reporting on of the new measures: Influenza Vaccination Coverage for Home Health Personnel," with the first submission in January 2017.	VNAA supports the proposed change will simplify the reporting requirements and align it with the annual nature of influenza.	CMS finalized this provision but modified the start date to July 2017.
HHVBP reporting timeframe	CMS proposes to increase the timeframe for submitting New Measure data from 7 to 15 calendar days to account for weekends and holidays.	VNAA supports this proposal but encourages CMS to look for additional simplifications and timelines to ease the reporting requirements.	CMS finalized this provision as proposed
HHVBP Appeals Process	CMS proposes an appeals process that includes a period to review and request recalculation of both the Interim Performance Report and the Annual Total Performance Score (TPS) and Payment Adjustment Reports. The proposal included specific timeframes for the submission of recalculation requests.	VNAA supports the addition of a second layer of appeal to contest the results of the CMS Recalculation. VNAA cautiously supports that final TPS and payment adjustment reports will be sent to the HHAs in a final form no later than 30 calendar days before the payment adjustments would take place to allow extra time for the appeals process to take place.	CMS finalized this provision as proposed
Future public reporting of HHVBP data	CMS will publically display the HHA total performance scores in the future and are considering various public reporting platforms including Home Health Compare and the CMMI webpage as a vehicle for maintaining information in a centralized place.	VNAA does not oppose the public display of TPS on Home Health Compare or on the CMMI website so long as certain conditions are met. First, a clear and transparent process must be developed in partnership with stakeholders to identify what will be posted. Secondly, HHAs must have the opportunity to view their scores and have full access to the appeals process in advance. Thirdly, it is critically important that the language on the HH	CMS continues to explore its options

		Compare website be clear about what the TPS scores represent (and what they do not) so that the average consumer fully understands the implications of the data listed on the site and can make reasonable and well informed decision using these data.	