National Rural Health Association (NRHA) summary of the calendar year (CY) 2022 Home Health Prospective Payment System Rate Update; Home Health Value-Based Purchasing Model Requirements and Proposed Model Expansion; Home Health Quality Reporting Requirements; Home Infusion Therapy Services Requirements; Survey and Enforcement Requirements for Hospice Programs; Medicare Provider Enrollment Requirements; Inpatient Rehabilitation Facility Quality Reporting Program Requirements; and Long-Term Care Hospital Quality Reporting Program Requirements (Home Health).

Payment:

On June 28, 2021, the Centers for Medicare & Medicaid Services (CMS) issued a proposed rule for the CY 2022 Home Health Prospective Payment System (HH PPS). The proposed rule makes annual updates to the home health and home infusion therapy service payment rates for CY 2022. For CY 2022, CMS has proposed a $310 million increase in Home Health payments, this equates to an increased average payment of 1.7 percent.

Rural centric: With passage of the Bipartisan Budget Act (BBA) of 2018, Congress directed CMS to provide rural add-on payments for episodes or visits ending during CY 2019 through CY 2022. It also mandated implementation of a new methodology for applying those payments. Contrary to previous add-ons which were applied uniformly, the BBA 2018 provided varying add-on amounts depending on the rural county classification by classifying each rural county into one of three categories: High utilization; Low population density; All other. These add-on percentages were outlined in law. For CY 2022, the add-on percentages are as follows: no add-on for high utilization; 1.0 percent for low population density; no add-on for all other.

Innovation:

The proposed rule expands the Home Health Value-Based Purchase (HHVBP) demonstration nationwide, beginning January 1, 2022. In the CY 2015 HH PPS, the CMS Innovation Center (CMMI) developed the HHVBP model. This model was created to incentivize Medicare-certified home health agencies to efficiently provide higher quality care. The goal was to support the Department of Health and Human Services' (HHS) efforts to build a health care system delivering better care, spending dollars more wisely, and with healthier people and communities as the outcome.

On January 8, 2021, CMS announced that the HHVBP model, which was initially implemented in nine states (Arizona, Florida, Iowa, Maryland, Massachusetts, Nebraska, North Carolina, Tennessee, and Washington), had been certified for expansion nationwide. The original model resulted in an average 4.6 percent improvement in home health agencies' quality scores as well as an average annual savings of $141 million to Medicare. Evaluations of the previous demonstration found no evidence of an adverse impact of HHVBP on access to home health care. While rural counties were to be more likely than urban counties to have both a low number of home health visits per episode and high ED use, which suggests a greater risk of potential access issues for rural home health beneficiaries, this pattern was similar in both HHVBP and non-HHVBP states. Similarly, for vulnerable populations, a pattern of differential impacts based on Medicaid coverage, but not based on rural versus urban location.

With this expansion, CY 2022 will be the first performance year for all agencies with CY 2024 being the first payment year with a proposed maximum payment adjustment (upward or downward) of five percent. CMS has requested public comment on the proposed payment adjustment percentage.

Changes to the Home Health Conditions of Participation:

With the public health emergency (PHE), several requirements were temporarily waived or modified through the 1135 waiver authority to ensure sufficient health care services were able to meet patients demands. Within the Consolidated Appropriations Act (CAA), 2021, Congress directed CMS to evaluate these waivers to see if some should be made permanent. In particular, CMS has proposed changes to permanently relax supervision of home health aides allowing for supervision to be done via telecommunications. CMS is seeking comment on utilization and efficiency of utilizing home health aides, and whether or not the PHE had impact on abilities to employ and contract home health aides.

Other Provisions of Note:

- Expansion of "allowed practitioners" to "certify, establish and periodically review the plan of care, as well as supervise the provision of items and services for beneficiaries under the Medicare home health benefit." Allowed practitioners now include a nurse practitioner (NP), a clinical nurse specialist (CNS) and a physician's assistant (PA). The proposal would permanently allow occupational therapists to conduct initial assessments for home health Medicare patients when the plan of care includes occupational therapy, physical therapy or speech-language pathology and doesn't include skilled nursing services.

- CMS has proposed several changes to the HH Quality Reporting Program (QRP). Twenty measures are slated to continue from the CY 2020 HH PPS Final Rule. Additionally, in this proposed rule, CMS is soliciting feedback on opportunities to leverage diverse sets of data (race, Medicare/Medicaid dual eligible status, disability, status, LGBTQ+, socioeconomic status, etc.) and new methodology approaches to advance equity.

To review the full regulation, see the federal register here. CMS's CY 2022 Home Health Proposed Rule Fact Sheet can be found here. Please contact Josh Jorgensen, NRHA Government Affairs and Policy Manager, at jjorgensen@nrharural.org with any questions or concerns.