

Eli's Rehab Report

Home Health Prospective Payment System: LUPA Rates Go Up While Supplies Rates Decrease

LUPA add-on to get more complicated.

Keep track of these tweaks to the home health prospective payment system to understand how 2014 rates will affect your bottom line.

To better cover Low Utilization Payment Adjustment (LUPA) costs, the **Centers for Medicare & Medicaid Services** proposes increasing LUPA amounts by 3.5 percent in addition to the usual inflation update (see chart, p. 60, for rate amounts), CMS says in the 2014 HH PPS proposed rule published in the July 3 Federal Register.

And instead of one LUPA add-on amount (\$95.85 and \$98.73 this year, respectively, for non-rural and rural areas), CMS proposes three different add-ons depending on whether the first visit was made by a nurse, physical therapist or speech therapist. The proposed LUPA add-on factors are 1.8714 for SN; 1.6841 for PT; and 1.6293 for SLP.

For example: "If the first skilled visit is SN, the payment for that visit would be \$226.87 (1.8714 multiplied by \$121.23)," the per-visit payment rate amount, CMS explains in the rule. The changes would result in a 4.8 percent increase to LUPA payments, CMS says in a release.

Therapy: CMS isn't making any therapy-specific reimbursement changes in 2014, but the agency is keeping its eye on the trouble spot. "Fully addressing [the Medicare Payment Advisory Commission's] concerns with the way the HH PPS factors therapy visits into the case-mix system is a complex process which will require more comprehensive analysis and potentially additional structural changes to the HH PPS," the agency explains. "We plan to address MedPAC's concerns in a more comprehensive way in future years."

Watch out: "Providers should continue to monitor this, as CMS makes it clear they will address therapy payments in a more comprehensive way in the future," says attorney **Robert Markette Jr.** with **Hall Render** in Indianapolis.

