

Eli's Rehab Report

Home Health: Watch for Therapy Visits to Vanish from HH PPS

Plus: Episodes shortened to 30 days if new payment model adopted

Home health providers have another challenge to face. CMS has the home health prospective payment system in its crosshairs and therapy utilization is on the chopping block.

The **Centers for Medicare & Medicaid Services** appears to be gearing up to implement home health prospective payment system reform, although the timeline is still fuzzy. CMS didn't respond to inquiries about the reform project's timing.

Take a look at the big differences between the current prospective payment system and the Home Health Groupings Model for PPS that Medicare is preparing:

- **Therapy.** The HHGM system would drop therapy utilization from the payment rate calculation altogether, a staffer from payment reform contractor **Abt Associates** explained in a presentation during the Aug. 23 Home Health Open Door Forum. Instead, Medicare would hope to capture that resource need by categorizing episodes into six "clinical groups" (see group details, box on this page).

Stats: An analysis of 2013 episodes showed that the vast majority of episodes (65 percent) fell into the medication management, teaching and assessment category. Wound and musculoskeletal rehab each made up 11 percent; neuro rehab made up nearly 8 percent; and under 3 percent each for behavioral and complex nursing care.

- **Referral source.** The HHGM system would adjust the payment rate based on whether the patient comes from an institution (higher pay) or the community (lower pay) up to 14 days before admission.

Stats: An analysis of 2013 episodes showed that about 35 percent would fall into the higher-paying institutional category, Abt says.

- **Episode length.** The HHGM system would shorten episode length from the current 60 days to 30 days. That's because visits usually are frontloaded, the Abt speaker explained. Dividing a 60-day episode into two periods allows payments to be more accurate, he said.

Workload impact: One OASIS assessment would still apply to two consecutive 30-day episodes, the Abt rep said. The presentation didn't address plan of care and other physician-related impacts.

- **Early/Late.** Only the first 30-day episode would count as "Early" under the HHGM system. That's because costs drop significantly in the second half of the current 60-day episode.

Stats: Analysis of 2013 episodes showed that about 31 percent of them would be "Early" under the 30-day episode structure, according to Abt.

- **Functional/cognitive level.** Like the current functional domain, the HHGM system would use OASIS item answers to determine a patient's functional/cognitive level. The system would have low, medium, and high levels.

MS rehab and behavioral health episodes would be categorized into low and high levels only, with about half of episodes grouped into each level, Abt noted. Episodes in other clinical groups would be categorized into all three levels, with about a third of episodes in each level.

- **Comorbidities.** CMS plans to use comorbidities to adjust payments, but it hasn't quite settled on a procedure for doing so, the Abt rep acknowledged in the forum. It's "still a work in progress so it may change," he said.
- **Case mix groups.** Using the five categories of the HHGM (Timing, Referral source, Clinical grouping, Functional/cognitive level, Comorbidity), the new model could have 324 possible payment groupings or case mix designations. To simplify the system, Abt has reduced the number of groups to 128 by targeting those with very similar case mix weights, the rep noted in the forum. That compares to the current 153 HHRGs under PPS.