

Eli's Rehab Report

NEWS BRIEFS: Medicare Unveils Proposed 2010 HHA PPS Rates

CMS just released its proposal for Home Health PPS 2010 -- and experts warn not to be deceived by the 2 percent update the agency has touted. Cuts for case mix creep may do more damage to HHAs next year the proposed rule shows.

The 2 percent update would take the current episode base rate of \$2,271.92 to \$2,317.47 effective Jan. 1. However, CMS didn't use a simple inflation calculation to arrive at that rate of increase. Rather, the agency took a 2.5 percent increase resulting from a proposed outlier policy change, subtracted a 2.75 percent case mix creep cut, and then added a 2.2 percent inflation update. Without the outlier policy change, HHAs' rates would see a more-than-half-percent cut.

And in the final rule, the case mix creep cut figure could get even worse. CMS had proposed in previous years' rate update rules to reduce HHA payments by 2.75 percent in 2010 and 2.71 percent in 2011 for supposed upcoding of home health patients. But recent analysis found even more upcoding, CMS maintains. Data from 2007 shows a 15 percent increase in case mix since PPS began in 2000, CMS noted in the rule. With the help of contractor Abt Associates, CMS estimates that 9.8 percent of that increase is "real" while the remainder is due to upcoding.

To counteract the continued case mix increase, CMS is thinking of increasing the case mix creep cut to 4.26 percent in 2011, it said in the rule. Or the agency could institute a 3.51 percent cut for both 2010 and 2011, it said. But it proposes keeping the 2010 cut at 2.75 percent as previously estimated.

Comments on CMS's proposed rule are due by Sept. 28, and the rule is at <http://edocket.access.gpo.gov/2009/pdf/E9-18587.pdf>.