

OASIS Alert

PPS Update: More Cuts Loom As Case Mix Numbers Improve

Pilot testing of new OASIS assessment begins.

Agencies are caught in a catch 22: If you improve OASIS accuracy, raising your case mix score, the feds will call it "case mix creep" and cut reimbursement, insisting you are upcoding.

Whether by coincidence or design, continuing cuts in home care payments to combat so-called case mix creep will decrease the number of home health agencies during the next few years, experts predict.

Background: The **Centers for Medi-care & Medicaid Services** established four years of HHA reimbursement cuts due to supposed upcoding of patients in its final rule on prospective payment system refinements published last August. The cuts included three years of 2.75 percent reductions as called for in CMS' proposed PPS revisions rule, then another 2.71 percent reduction in 2011 tacked on in the final rule.

More to come: And now CMS is looking to add even more cuts. The agency has obtained data that shows a case mix increase from 2005 to 2006 for HHA patients, CMS' **Lori Anderson** told attendees of the **National Association for Home Care & Hospice's** March on Washington conference.

CMS had decided to maintain the 2.75 percent decrease for 2009 as scheduled, Anderson told the packed conference room. But deeper cuts based on continued case mix growth appear likely for 2010 and beyond.

Agencies shouldn't be surprised by more cuts, Anderson said. CMS states in its PPS revisions rule that it will continue to look at case mix and adjust for any creep upwards.

Drastic Impact On Providers Predicted

But providers attending the conference weren't happy. CMS is ratcheting up regulatory requirements such as OASIS and reducing payment, one attendee told Anderson in the question and answer portion of the session. "It's unconscionable," the attendee declared. Many providers will go out of business if Medicare rates continue to drop, she added. "This room will not be here," she said, referring to the conference room full of providers.

Turmoil ahead: Many experts agree. HHA numbers have steadily increased under PPS, after seeing a drastic reduction after the interim payment system in the late 1990s. There are currently about 9,400 Medicare-certified HHAs, NAHC reports.

But those numbers will drop quickly if payment rates continue to fall, forecasts Chicago-based regulatory consultant **Rebecca Friedman Zuber**. Lower reimbursement, major PPS revisions and increased competition will spell the end of many providers in the next few years, expects Zuber, who attended the conference.

Other issues CMS addressed include:

- **PPS reforms.** CMS won't make any major PPS revisions for a while after its drastic revamp this year, Anderson promised. Minor tweaks will continue, however.

Keep watch: The next major PPS reform will likely take place in conjunction with broad post-acute payment revisions, Anderson expected.

The road to the new PPS provisions has been somewhat rocky, Anderson admitted in the conference. "That's been kind of a wild ride." CMS continues to repair PPS billing errors that come up.

- **Patient satisfaction.** HHAs can expect to see a new crop of measures on Home Health Compare based on patient satisfaction, said CMS' **Debbie Turkay**, who has taken over for the now-retired **Mary Weakland**. "This is really where we're going -- patient-centered care," Turkay told attendees.

The satisfaction measures will come from the Consumer Assessment of Healthcare Providers and Systems survey. The HHS **Agency for Healthcare Research and Quality** requested approval for the CAHPS home health satisfaction tool last December.

Hospital Compare already lists such patient satisfaction measures for hospitals, Turkay noted. Agencies can expect a satisfaction survey to take effect in 2010, she predicted.

- **OASIS-C.** The new version of OASIS will begin pilot testing this month, Turkay said. It will contain changes such as 30 process-based measures. The revamped OASIS form will likely take effect in late 2009 or early 2010, Turkay expected.

- **HHA COPs.** The long-awaited home health conditions of participation are "back in the mill," reported CMS' **Pat Sevast**. CMS published the proposed COPs for home health way back in 1997.

However, they're far from a done deal. "I'm not holding my breath, so you probably shouldn't hold yours," Sevast quipped.