

Partnership for Quality Home Healthcare

THERE'S NO PLACE LIKE HOME



September 1, 2017

Submitted via [regulations.gov](https://www.regulations.gov)

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

Re: CMS-1672-P: Medicare and Medicaid Programs: CY 2018 Home Health Prospective Payment System Rate Update and Proposed CY 2019 Case-Mix Adjustment Methodology Refinements; Home Health Value-Based Purchasing Model; and Home Health Quality Reporting Requirements

Dear Administrator Verma:

The Partnership for Quality Home Healthcare (the “Partnership”), a national coalition of skilled home healthcare providers dedicated to ensuring the quality, efficiency, and integrity of the Medicare home healthcare benefit for homebound seniors and disabled Americans and the National Association for Home Care & Hospice, the nation’s largest trade association representing the interests of home health agencies throughout the country, appreciates the opportunity to comment on payment and policy changes to the Home Health Prospective Payment System (“HH PPS”) as proposed by the Centers for Medicare and Medicaid Services (“CMS”) on July 28, 2017 (“proposed rule”). This is a first of three letters that we intend to submit relating to this proposed rule.

While we support CMS’s efforts to move from volume-driven payments to payments based on patient characteristics, we also want to ensure these efforts do not impede patient access to essential home healthcare services. **We believe that it is imperative that the Home Health Groupings Model (“HHGM”) proposed for CY 2019 be withdrawn, as we require additional information in order to fully assess the impact of the proposed rule.** HHGM needs to be evaluated with a more complete data analysis, with scrutiny as to the legal and policy authority, and to whether the ultimate authority to revise the model of payment that is statutorily authorized is reserved for Congress.

We strongly encourage CMS to reconvene a broader workgroup and evaluate criteria that is objective, ensures that the Medicare benefit is available to those who are eligible, and devote attention to educating all parties who order and provide the valued Medicare home health benefit. The sheer number of changes to the HH PPS incorporated in the proposed version of HHGM make current analyses of its impact difficult to adequately perform and would cause any unintended consequences of its potential implementation near impossible to isolate and address. We welcome the opportunity to engage with CMS on ways to craft rules that are “less complex” and “reduce burdens”, as stated in the Request for Information (“RFI”) contained in the proposed rule.

We have outlined several specific areas of concern below:

Information Needed to Fully Assess Impact of Proposed Rule	Included in Proposed Rule or supplemental materials?
CY16 Claims and OASIS Assessment Data	No
CY 2017, 2018, and 2019 (under HHGM) HH baseline	No
Explanation for how CMS treated 60-day episodes with no visits day 31+	No
Description of “behavioral assumptions”, other factors included in impact estimates	No
Case Mix Weights	Yes
LUPA thresholds	Yes
Outlier threshold	Yes
ICD-10 codes associated with clinical groupings, comorbidities	Yes
Functional status thresholds	Yes

Further, we request additional information on the following issues so that we can fully understand the impact of the proposals in the rule:

- How will revenues be addressed that are associated with the 30-day episode periods that receive payment under the current HH PPS but would not be paid under the HHGM? The proposed rule states that the change to 30-day episodes means that home health agencies will be better compensated. The HH PPS law requires both budget neutrality and standardized payment.
- The proposed rule states that Table 55 contains “assumptions on behavioral responses.” Do these behavioral responses assume that revenue shortfalls under HHGM will be made up by providers? If so, how? Is there a justification for the “assumptions on behavioral responses”?
- It is unclear what the projected total system value would be under CY 2017, CY 2018 (under current law), and CY2019 with the HHGM changes. The proposed rule states that the total system value would be reduced by \$950 million in 2019 if the final rule is fully non-budget neutral, or \$480 million if the rule is partially non-budget neutral, with the total reduction still being \$950 million when fully implemented. This type of an analysis is exactly the type of analysis that the RFI is concerned with because it is bureaucratic and complex, and requires additional clarification in order for its plain meaning to be understood by providers.
- The HHGM data set was based on 2013 claims data¹ and does not account for the full 14 percent reduction implemented through the Affordable Care Act. Has an analysis been conducted on the impact HHGM would have on access to services going forward? In the CY 2014 Home Health Prospective Payment System Update Rule, CMS estimated that “approximately 40 percent of providers will have negative margins in CY 2017.” We are concerned that the cuts proposed by CMS would be unsustainable for many providers, particularly those in rural areas that are already struggling to provide beneficiaries with continued access to a benefit they depend on.

When evaluating the budgetary impact of these proposals, certain behavioral assumptions have been made that do not accurately estimate the financial impact of reductions in the home health payment. For example, when the original home health prospective payment was enacted, it was estimated to save \$16.7 billion; however, it ended up reducing overall payments closer to \$70 billion. We are seriously concerned that additional analysis is essential in this dramatic payment and modeling change and cannot be accomplished in the short timeframe for this proposed rule.

In addition, we have concerns that the proposed rule does not properly account for legal and policy issues. At a minimum, we do not believe that CMS has the authority to change the model of care as outlined in the statute and to do so in a non-budget neutral manner. Furthermore,

¹ While there is reference in the Proposed Rule to evaluating the model against 2016 claims, we believe this was only done on a small set and may not take into account all the changes in payment and case-mix adjustments.

changing the standard episode of care from a 60-day to a 30-day episode is inconsistent with the statute. The law provides CMS with limited discretion in defining the standard episode of care and we believe that CMS should further consider its legal authority to re-define the standard episode.

We believe CMS should ensure that the Medicare program's home healthcare payment system is accurate and based on current data in order to ensure access for the approximately 3.5 million Medicare beneficiaries who depend on skilled home healthcare services. Medicare's home healthcare benefit has long made clinically—and cost—effective services available to homebound seniors and disabled Americans. These services allow senior citizens and individuals with disabilities to receive physician-ordered medical and rehabilitative treatment where they most prefer to remain: in the safety and dignity of their own homes. In addition to its proud history, the Medicare home healthcare benefit is also ideally suited to support your and the Secretary's efforts to instill a greater focus on value throughout the Medicare program.

We appreciate the opportunity to provide comments and it is our hope that these issues can be resolved and discussed outside of this rulemaking and with greater transparency related to the underlying law, the policy justification with these changes, and the use and application of current data so that its impact on Medicare beneficiaries is well known. Please do not hesitate to let us know if you have any questions or if we can ever be of any assistance.

Sincerely,



Keith Myers
Chairman
Partnership for Quality Home Healthcare



William Dombi
President
National Association for Home Care
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cc:

Demetrios Kouzoukas
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