

August 16, 2022

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-1766-P
P.O Box 8013
Baltimore, MD 21244-8013

Re: CMS-1766-P: Medicare Program; Calendar Year (CY) 2023 Home Health Prospective Payment System Rate Update; Home Health Quality Reporting Program Requirements; Home Health Value-Based Purchasing Expanded Model Requirements; and Home Infusion Therapy Services Requirements

Dear Administrator Brooks-LaSure:

The Pennsylvania Homecare Association (PHA) represents nearly 700 home-based care providers who bring skilled nursing, therapy, personal care, and end-of-life care into hundreds of thousands of individuals' homes across Pennsylvania. Thank you for the opportunity to submit comments on the [CY 2023 Home Health Prospective Payment System \(HH PPS\) Proposed Rule](#). As shared in more detail below, we write to oppose CMS's proposed payment reductions in the Patient Driven Groupings Model (PDGM) and urge CMS to reconsider a number of items in the proposed final rule, in order to support a stable, sustainable home health benefit for Medicare beneficiaries. We respectfully submit the following:

General Comments

When PDGM was implemented in January of 2020, no one could appreciate the devastating impact that COVID-19 would bring to home health, healthcare, and the world in just a few months. The impacts of the Public Health Emergency (PHE) continue to affect the entire healthcare continuum, and some of those impacts won't be fully appreciated for many years. Unfortunately, based on experiences in 2020 and 2021, CMS now proposes to permanently reduce home health reimbursement rates by 7.69% and to collect more than \$2 billion in alleged overpayments at some point in the future. PHA urges CMS withdraw these payment reduction proposals and engage further with stakeholders on the appropriate methodologies to evaluate the mandated budget neutral transition from the HHRG-HHPPS payment model to PDGM. It is not hyperbole to say that there is existential risk to the future of home health services if CMS proceeds with its planned cuts.

As discussed in more detail below, PHA strongly recommends that CMS withdraw any proposed permanent or temporary payment rate adjustments until it has fully disclosed the methodology used by CMS to support its recommendations. The risk of access to home health services is too great to proceed as planned to reduce payment rates at an unprecedented level during an ongoing PHE.

As you know, the healthcare industry and country more generally are facing significant cost inflation. Home health agencies continue to struggle with rising labor costs, as the nursing shortage has required unprecedented wage increases, sign-on and retention bonuses, and other compensation cost increases. Rising gas costs also impact home-based care in ways that they do not impact others in healthcare. In Pennsylvania alone, the estimated number of miles driven by the home-based care industry in 2019 exceeded 259 million, with gasoline sales purchases associated with home-based care of more than \$33.7 million. Gasoline and other cost increases must be addressed in the annual market basket index, along with other measures that account for real-time cost increases.

Proposed Home Health Prospective Payment System Updates and Adjustments

As you also know, with the implementation of PDGM in 2020, the base payment rate and case mix weights were set using a 4.36% “behavioral adjustment,” intended to account for anticipated changes in diagnosis coding, secondary diagnosis data, and LUPA volume to achieve budget neutrality. CMS is authorized to institute certain additional rate adjustments to achieve budget neutrality between an HHRG outcome under that model of payment and the PDGM payment outcome.

Annual updates to the home health payment rates for CY 2023 are critical to ensuring that home health providers have the necessary resources to provide high quality care to their patients as costs increase. Annual increases to the home health payment rates based on the current market basket have not come close to keeping pace with recent cost increases.

CMS’s proposed methodology is technically flawed and not legally supportable. They do not align with the requirements of the statute or its intent to ensure budget neutral rates. The agency does not attempt to compare the behaviors assumed by CMS in establishing the initial payment amounts for CY 2020 and the actual behavior observed on aggregate expenditures. Rather, CMS’s proposal reprises 2020 and 2021 claims payments to establish an artificial target amount and reduces the 30-day payment amounts under PDGM to meet that target. It does this largely by adjusting payments downward for a reduction in therapy utilization, a factor that has no impact on aggregate expenditures and is contrary to the law. Rather than ensuring that payment amounts are budget neutral, CMS’s approach constitutes an unauthorized rebasing of the 30-day payment amount.

We urge CMS to adopt the alternative methodology recommendation made by the Partnership for Quality Home Healthcare based on analysis by Dobson | Davanzo, which would more accurately ensure budget neutrality and would avoid an unauthorized rebasing of the home health prospective payment system. This analysis demonstrated that the current behaviorally adjusted payment rates should be increased, rather than decreased, through a permanent adjustment, starting in 2023.

We ask CMS to withdraw its proposed rate cuts, adopt a legally compliant and logical methodology for assessing whether PDGM is budget neutral in comparison to HHRG-HHPPS, and engage the home health community in its development and application in a manner that protects and ensures access to care.

Permanent Cap on Wage Index Decreases

PHA supports CMS’s proposed permanent cap on wage index decreases, which will promote stability in payments for home health from one year to the next. We also support CMS’s annual recalibration of the case-mix weights to ensure payments reflect current trends in care delivery and are as accurate as possible.

Telecommunications

PHA supports CMS's efforts to recognize the value of services provided using telecommunications technologies and to collect data on the use of telecommunications in home health. Capturing telecommunication visits on home health claims will assist with accurate cost reporting for the use of telecommunication technologies. Some members did express that the creation of multiple G-codes could lead to confusion and potential inappropriate assignment of the G-codes on claims. Using a modifier could be a workable approach instead.

Significantly, CMS should support effective use of telemedicine and related technologies in home health not just by collecting data, but by considering options for paying appropriately for virtual services.

Expanded Home Health Value-Based Purchasing (HHVBP) Model

CMS proposes to revise the definitions of *HHA baseline year* and *Model baseline year* and change the Home Health Value-Based Purchasing (HHVBP) Model baseline year from CY 2019 to CY 2022. If CMS measures performance against CY 2022, and also finalizes substantial cuts in subsequent performance years, it will be very difficult for HHAs to demonstrate improvement going forward. CMS's proposed payment cuts threaten the quality improvement gains demonstrated in the HHVBP Model, and if finalized, may severely limit the capacity for the Expanded HHVBP Model to produce the results and savings currently projected. We urge CMS to consider the impacts substantial payment cuts would have on the Expanded HHVBP Model, to eliminate those cuts, and to retain the 2019 Model baseline year.

Expansion of OASIS Data Collection

CMS proposes to require the collection and reporting of the OASIS data set on all home health patients receiving skilled services regardless of payer. It is unclear whether this proposal would include the collection and reporting of the OASIS data set on pediatric and maternity patients, currently excepted from OASIS collection.

PHA members are concerned that this proposal will be overly burdensome without clear benefit and will divert critical resources from patient care. The benefits of this proposal have not been established, and the reasons offered in the proposed rule do not outweigh the increased burden and adverse impact on providers and patient care. As home health providers continue to face many challenges, including those identified above, we respectfully request that CMS not finalize this proposal. At a minimum, CMS must clarify to which patients the OASIS collection and reporting requirements apply and delay implementation until sufficient funds are provided to cover additional costs to HHAs.

Health Equity

PHA and its members share CMS's goal of closing health equity gaps and applauds the Administration for its focus on addressing disparities in health outcomes. Home health agencies can and do identify barriers to access to care in communities they serve, positioning home health as a critical participant in efforts to address disparities.

Request for Comment on a Future Approach to Health Equity in the Expanded HHVBP Model

PHA supports the concept of capturing and incorporating elements related to health equity in the HHVBP program and appreciates CMS considering an approach to the Expanded HHVBP program that captures the diverse populations that HHAs serve. However, any approach to incorporating health equity into the Expanded HHVBP program must be implemented in a fair and thoughtful manner, with education, communication, and opportunities for additional stakeholder input.

Measuring health equity will require the collection and reporting of data items that are not yet standard in home health, both in terms of the data to be collected and how that data will be captured. Although the OASIS-E includes items related to social determinants of health, they may not provide sufficient data to support modifying the HHVBP program. PHA urges CMS to convene a Technical Expert Panel for stakeholder input to ensure that a wide range of stakeholder input is included and that metrics for health equity and the application to the HHVBP consider appropriate evidence-based research.

Request For Information Related to the HH QRP Health Equity Initiative

In the proposed rule, CMS requests feedback on a number of additional issues and a structural composite measure. PHA supports CMS's continued focus on health equity and supports focusing on health equity in the design, implementation, and operationalizing of policies and programs to improve health and reduce disparities for all people served by the Medicare program. PHA and our members stand ready to assist and partner in these efforts.

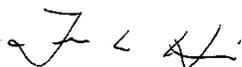
It is important to recognize that provider knowledge and readiness to develop and implement health equity initiatives varies greatly across Pennsylvania and the country. Some agencies report that health equity concepts are new to their organization, while others report collecting and analyzing data related to health equity for some time and using it as part of their performance improvement program. Some agencies report that the COVID-19 pandemic affected their ability to focus on priorities other than the most urgent ones. HHAs that are hospital or health system-based generally report more engagement with health equity issues. CMS should allow for HHA adoption of health equity initiatives over time, with sufficient education and opportunities for agencies to understand and implement the concepts and principles.

PHA also supports introducing a structural composite measure on health equity into the home health quality reporting program, in a manner similar to described above. It is important that CMS begin with education and resources for home health agencies to increase their knowledge of health equity initiatives. It is also important that prior to any public reporting of a structural composite measure, there have been sufficient education opportunities for HHAs, including sharing of best practices.

Conclusion

CMS's proposed payment cuts will result in financial harm for home healthcare providers and negatively impact patient care and quality at a time when in-home care is an essential option for many patients. Home health is preferred over institutional care by a large majority of patients and families and delivers critical value to the Medicare program. We urge CMS not to finalize these severe rate reductions for home health and hope that CMS will work with the home health community to ensure continued access to care for beneficiaries. Thank you for the opportunity to submit comments and for your consideration of these recommendations.

Sincerely,



Teri L. Henning, CEO
Pennsylvania Homecare Association