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CY 2021 Home Health PPS Final Rule Adds New Payment Rates, Wage Indices, and the Home Infusion Services Benefit

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The Calendar Year (CY) 2021 final rule updating the Home Health Prospective Payment System (HH PPS) includes increases in the national, standardized 30-day period payment and per-visit payment for home health agencies (HHAs) and makes notable changes to labor market delineations that impact the geographic wage index, but maintains many of the other policies and procedures previously followed by HHAs under the CY 2020 final rule. The rule also further explains the home infusion therapy benefit category policies codified in the CY 2020 HH PPS final rule and finalizes the exclusion of the home infusion therapy services benefit from coverage under the HH PPS, as required by the 21st Century Cures Act.

Increases to the HH PPS Payment Rates and Changes Impacting the Wage Indices for CY 2021

First, the final rule sets an increased national, standardized 30-day period payment for HHAs in CY 2021 by applying a wage index budget neutrality factor of 0.9999 and a CY 2021 payment update of 2.0 percent to the CY 2020 30-day budget neutral standard amount. The new standard amounts are as follows:

CY 2020 30-day Budget Neutral Standard Amount	CY 2021 30-day Budget Neutral Standard Amount (entering quality measures)	CY 2021 30-day Budget Neutral Standard Amount (not entering quality measures)
$1,864.03	$1,901.12	$1,863.84

Second, CMS adopts the September 2018 labor market delineations from the U.S. Office of Management and Budget's (OMB) in which 47 counties that are currently designated as rural will be considered urban in the new year and 34 counties that are currently considered to be urban will be considered rural in CY 2021. To reduce the adverse impact that some HHAs would experience as a result of a decrease in their area wage indices, CMS will transition the change by applying in CY 2021 a five percent cap on any decrease in a geographic area's wage index value from the wage index from the prior calendar year; no cap would be applied in CY 2022.

Third, CMS has elected to maintain the new Patient-Driven Groupings Model case-mix weights and the low utilization payment adjustment (LUPA) thresholds at their CY 2020 levels for CY 2021, because it does not have sufficient data from the first year of the new case-mix adjustment methodology in CY 2020 to make changes. However, the agency did release new, national per-visit payment rates, which are used to pay LUPAs and to compute imputed costs in outlier calculations. The new per-visit payment rates are as follows:

Home Health Discipline	CY 2020 Per-Visit Payment	CY 2021 Per-Visit Payment (entering quality measures)	CY 2021 Per-Visit Payment (not entering quality measures)
Home Health Aide	$67.78	$69.11	$67.76
Medical Social Services	$239.92	$244.64	$239.85
Occupational Therapy	$164.74	$167.98	$164.69
Physical Therapy	$163.61	$166.83	$163.56
Skilled Nursing	$149.68	$152.63	$149.64
Speech-Language Pathology	$177.84	$181.34	$177.79

Fourth, the CY 2021 final rule reminds stakeholders of the policy finalized in the CY 2020 final rule that relaxed the required information for the upfront Requests for Anticipated Payments (RAPs) for CY 2021. It also prepares stakeholders for the changes to the submission of data similar to that provided in the RAPs in CY 2021 with the implementation of the new one-time Notice of Admission (NOA) process starting in CY 2022. The rule finalizes a payment reduction for an HHA if it does not timely submit the RAP for CY 2021 or NOA for CYs 2022 and later years.

Fifth, the final rule changes the documentation requirements regarding the use of telecommunications technology for services under the home health benefit. The final rule requires that any provision of remote patient monitoring or other similar services must be included in the plan of care and cannot substitute for a home visit or be considered a home visit for purposes of eligibility or payment. The rule relaxes the documentation requirement regarding a description of how technology will help achieve the goals outlined in the plan of care, expecting that the HHA will document similar information throughout the medical record when such technology is used.

CMS made no changes in the CY 2021 final rule to the following payment policies implemented in the CY 2020 HH PPS final rule:

- LUPA add-on factors;
- Split-percentage payment policy;
- Rural add-on payments; and
- Fixed-Dollar Loss and Loss-Sharing Ratio

Other home health-related provisions were maintained or received minor updates as follows:

- No proposals or updates to the Home Health Quality Reporting Program (HH QRP).
- OASIS data is now entered via an internet-based data submission system that allows more than two users per HHA, and new HHAs no longer must conduct test OASIS data transmissions as part of the initial certification process.
- Home Health Value-Based Purchasing (HHVBP) Model data submission requirements are now aligned with any exceptions or extensions granted for purposes of the HH QRP during the public health emergency (PHE). In addition, the final rule grants exceptions to all HHAs participating in the HHVBP Model for certain New Measures data reporting requirements during the PHE.

Home Infusion Therapy Services

The CY 2021 final rule summarizes the home infusion therapy policies codified in the CY 2020 HH PPS final rule and finalizes the exclusion of home infusion therapy services from coverage under the Medicare home health benefit as required by the 21st Century Cures Act (Act). It also adopts the Medicare provider enrollment policies for qualified home infusion therapy suppliers set forth in the proposed rule.

The Act established a new Medicare home infusion therapy services benefit category that covers the professional services furnished in accordance with the plan of care, including training, education, and monitoring services. The benefit covers home infusion therapy services needed for the safe and effective administration of certain drugs and biologicals administered intravenously or subcutaneously for a period of 15 minutes or more in the home of an individual through a pump that is an item of durable medical equipment (DME). The infusion pump and supplies, including the drug, will continue to be covered under the Part B DME benefit, but the administration and services will be covered under a newly created, separate Part B benefit category. Services for the provision of drugs and biologicals not covered under the definition of "home infusion drugs" may continue to be provided under the Medicare home health benefit and paid under the HH PPS.

CMS must implement a payment system beginning in CY 2021 in which a single payment is made to a qualified home infusion therapy supplier for the items and services. The payment must be adjusted to reflect the geographic wage index and other costs that may vary by region, patient acuity, and complexity of drug administration, and may be adjusted to reflect outlier situations and other factors determined by the Secretary.

The Act specifies that a qualified home infusion therapy supplier must furnish infusion therapy to individuals with acute or chronic conditions requiring administration of home infusion drugs in accordance with certain requirements and standards of care. A qualified home infusion therapy supplier is not required to become accredited as a Part B DMS supplier or to furnish the home infusion drug.

Conclusion

The CY 2021 HH PPS final rule increases the national, standardized 30-day period payment and per-visit payment for HHAs but maintains many of the policies and procedures followed by HHAs under the CY 2020 final rule. As a result, the most significant impact of the rule may be for the newly made-rural or made-urban counties whose payment rates will increase or decrease with the OMB's new labor market delineations; however, even the decreases under these new policies will be phased in over two years. Moreover, there are no new revelations regarding the home infusion therapy policies codified in the final rule as most of the policies were either previously discussed under the CY 2020 final rule or clearly dictated in legislative language.

For more information, please contact Stefanie Doyle, or anyone in Baker Donelson's Reimbursement Team.