Winter Conference
Wednesday, February 8, 2023
3:00pm-4:15pm

GS1: Connecting the Dots: A Federal and State Overview

Presented by:
Bill Dombi, President,
National Association for Home Care and Hospice (NAHC)

Thank you to our event Sponsor:
2023 National Update: The State of Home Care

William A. Dombi
President
National Association for Home care & Hospice

MEGA-TRENDS: Home Care Landscape

• Awareness and respect for home care grows
• Home care showing versatility and depth by making fast adjustments while adding Covid-19 patients into service
• Hospital at Home and SNF at Home experimentation
• Technology as a real tool has taken a quantum
• PERFECT FIT
  • PATIENT CENTERED
  • SOCIAL DETERMINANTS OF HEALTH
  • COST EFFECTIVE
MEGA-TRENDS: MANAGED CARE IS GROWING

- MEDICARE ADVANTAGE SOON TO SURPASS TRADITIONAL MEDICARE ENROLLMENT
  - AFFECTS REIMBURSEMENT
  - CREATES OPPORTUNITIES
  - VALUE PROPOSITION DRIVES ACTION
- Managed Medicaid LTSS

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Enrollment

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TOTAL</th>
<th>ORIGINAL</th>
<th>Medicare Advantage</th>
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<td>2014</td>
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<td>2020</td>
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MEGA-TRENDS: CHALLENGES CONTINUE

• CMS— RATE CUTS; OVERSIGHT
• CONGRESS— GRIDLOCK
• MedPAC— RATE CUTS DUE TO SILOED MINDSET

MEGA-TRENDS: GREAT OPPORTUNITIES

• TECHNOLOGY
• PALLIATIVE CARE
• BREAKING DOWN THE CONTINUUM OF CARE
  • HOSPITAL AT HOME
  • SNF AT HOME
MEGATRENDS: Medicaid Home Care

- $100+ BILLION ANNUALLY
- Wide variation between the states
- Endless innovation opportunities
- Expansions on the horizon
- MLTSS growing

Home Care Workforce

- Affects all of society
- Multidimensional, integrated focus needed
  - Compensation: Better Care, Better Jobs Act redux?; Tax credit support for private pay services?
  - Career opportunities
  - Family caregiver supports
  - Technologies
  - Supply of personnel: Immigration reform?
  - Image and respect
End of the Year Omnibus Budget Legislation

- $1.7 Trillion budget bill covering all phases of the US Government
- Significant home care and hospice policies addressed (and not addressed)
- Postpones through 2024 the risk of an across-the-board 4% rate cut related to PAYGO requirements applicable to the American Rescue Plan legislation in 2021
- Extends Medicare sequestration for first 6 months of 2032 and sets sequestration at 2% for 2030 and 2031

Omnibus Medicare Home Health Policies

- Limited extension of the 1% home health rural add-on for 2023 only to HHAs that serve patients residing in “Low Population Density” areas
  - Applies only to a limited number of HHAs that serve patients residing in “Low Population Density” areas
  - Expect CMS to use 2022 area designations
    - 334 Counties out of 2006 rural counties in the IS
    - 22 different states
- PDGM rulemaking transparency strengthened
- Congressional leaders rejected the significant support for the rate cut delay based on the MedPAC finding that the 2021 Medicare margin for home health services neared 25%
Medicare financial performance of freestanding HHAs in 2021 continues to be strong

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<th>Medicare margin</th>
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<tr>
<td>All</td>
<td>24.9%</td>
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<tr>
<td>25th percentile</td>
<td>6.9</td>
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<tr>
<td>75th percentile</td>
<td>34.3</td>
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<td>For-profit</td>
<td>26.1</td>
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<tr>
<td>Non-profit</td>
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<tr>
<td>Majority urban</td>
<td>24.8</td>
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<tr>
<td>Majority rural</td>
<td>25.2</td>
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<tr>
<td>Including COVID-related relief funds</td>
<td>25.9</td>
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Omnibus Home Care and Hospice Impacts

- Extends all Medicare telehealth flexibilities through December 31, 2024
- Modifies payment for Disposable Negative Pressure Wound Therapy Devices
- Two-year hospice specific extension of flexibility to perform face-to-face (F2F) hospice recertification visit via telehealth until Dec 31, 2024
- Starting Jan 1, 2024 - Allows hospices to include marriage and family therapists (MFTs) and/or mental health counselors (MHCs) as part of the hospice interdisciplinary team (IDT), in lieu of a social worker
Medicaid Home Care

• Extends Money Follows the Person demonstration program through 2027 at $450 million per year
• Extends HCBS spousal impoverishment protections through FY2027
• Section 5131 Provides funding for transitioning Medicaid from the 6.2% enhanced FMAP, This is not specific to HCBS support, but some states have used it to expand eligibility or support ongoing programs.

Future of Value-Based Payment

• HHVBP national expansion underway
  • One of few successful programs
• ACOs-some positive results with contributions from home health
• Medicare Advantage
  • Negative financial value for Medicare
• Back to the drawing-board
Medicare HH 2023 Final Rule

- CY 2023 Home Health Prospective Payment System Rate Update and..... Much More
- $125M expected spending increase
- 4.0% net inflation rate update
- $35 million increase in outlier spending
- 3.925% PDGM Budget Neutrality Adjustment
- Maintains PDGM case mix model
  - Recalibrates all 432 case mix weights and LUPA thresholds
  - Institutes permanent 5% cap on negative wage index changes to reflect changes in workforce costs
  - Outlier FDL modified to 0.44 (increases # of outlier periods)
- Home Health Value Based Purchasing demo (HHVBP) expansion nationwide modified slightly
- QRP modified: OASIS expansion set for 2025
- Telecommunications data collection: Voluntary January 1, 2023; Required July 1, 2023

Medicare Home Health: “CLAWBACK” RISK

- The 7.85% rate adjustment is prospective only
- CMS calculated 2020 and 2021 overpayments
- No payment adjustments at this time are scheduled
- CY2020 Temporary Adjustment-- $873,073,121
- CY2021 Temporary Adjustment-- $1,211,002,953
- CY2022 Temporary Adjustment-- TBD
### Telecommunications Data

- Finalized to capture telecommunications on claims
- New G-codes
  - Real-time two-way audio-visual technologies
  - Audio only technologies, including telephone
  - Remote monitoring
- Voluntary January 1, 2023
- Required July 1, 2023
- Further program instructions to be issued

### HH QRP

- Finalized collecting and reporting OASIS data on all patients
- Proposed to begin for CY 2025 HH QRP – January 1, 2024-June 30, 2024
- Finalized begin for CY 2027 HH QRP - July 1, 2025- June 30, 2026
- May begin reporting Jan 1, 2025-June 30, 2025
- Normal exceptions apply (<18, maternity, etc.)
Summarized Comments on Request for Information: Health Equity in the HH QRP

- Sought input on five questions related to advancing health equity in home health.

- Sought input on adopting a composite structure measure - three domains for reporting.
  - Broad support for incorporating health equity into the HHQRP
  - Some concerns

- Revise definition for “baseline year” to clarify improvement threshold is the HHA baseline and the achievement threshold is the model baseline
- Proposed and finalized to change baseline year for new and existing HHA
  - Existing HHA to use 2022 for 2023 reporting rather than 2019.
  - New agencies will vary depending on enrollment year
- Summary of comments - a future approach to health equity in the expanded HHVBP model
  - Mixed comments – support, concerns, and recommendations
Home Infusion Therapy Services

- Rates are annually adjusted by the percent increases in the CPI.
- Productivity adjustment
- Adjusted by the geographic adjustment factor (GAF)
- Inputs based on final physician fee schedule
- Posted on the HIT website when available
- Going forward updates in a change request

2023—A Year for Hospice Oversight

- Quality of Care
  - Hospice Deficiencies Pose Risks to Medicare Beneficiaries (OEI-02-17-00020)
  - Safeguards Must Be Strengthened To Protect Medicare Hospice Beneficiaries From Harm (OEI-02-17-00021)
  - Section 407(b) of the Consolidated Appropriations Act, 2021

- MedPAC recommends reduced annual cap
- New Yorker article
FY2023 Medicare Hospice Rule

- Estimated $825M in increased Medicare spending
- Payment update at 3.8% (4.1-0.3 productivity adjustment)
- Aggregate cap value of $32,486.92
- Establishment of a permanent 5% limit on wage index reductions (in budget neutral manner)
- Convenes a Technical Expert Panel (TEP) on the Special Focus Program for expanded hospice surveys
- Hospice Outcomes & Patient Evaluation (HOPE) instrument updates
- Star ratings going public August 2022

Medicare Hospice: Potential Program Integrity Reforms

- Targeted Moratoria
- Revocation of Medicare enrollment due to inactivity
  - Nonoperational
  - No claims
- Increased site visits
- “Red Flag” criteria for action
  - Co-location
  - Leadership or Administrator at multiple hospices
  - New hospice
- Ownership/management disclosure
- Track consultants of concern
- Increased surveys of new hospices
- Establish ethical and transparent marketing practices
  - Limit incentive-based compensation, e.g. long stay patients
- Monitor enrollment practices
### Medicare Hospice: Potential Program Integrity Reforms

- Expand information on Care Compare website
- Improve access to state complaint hotline
- Onsite survey w/in first year with CHOW
- Institute 36-month rule for changes in ownership
- Support use of an updated corporate compliance plan
- Establish minimum standards for Administrator
- Full background checks on management
- MAC training program for newly enrolling hospices
- MAC audits of co-located hospices
- Require pre-pay TPE for new hospices

### Medicare Hospice: Additional Areas of Concern

- Long-stay patients
- Live discharges
- Aggregate cap
- Payment reform risks and opportunities
- VBID and Medicare Advantage plans
Better Care, Better Jobs Act: Redux 2023

- Medicaid HCBS
  - State must commit to expands broadly defined HCBS
  - 10% FMAP support increases
  - Intended to improve access
  - Strengthens and expands workforce, including payment rates with proportionate increase to workers
  - Self-directed care structural supports
  - Quality measurement and improvement
  - Permanent spousal impoverishment protection
  - Permanent Money Follows the Person support

Better Care, Better Jobs Act: Redux 2023

- Medicaid HCBS Workforce
  - Direct care workforce strengthened by
    - Payments sufficient to provide services
    - Updating qualification standards and developing training standards
    - Update and increase payment rates to support recruitment and retention
    - Review and modify rates at least every 2 years through a transparent process
    - Ensure rate increases result in a proportionate increase in payments to direct care workers, including in MLTSS
Credit for Caring Act: Will it be back in 2023?

- 2022 Legislation
- Tax credit for private pay services
  - HR 3321; S 1670
  - $3000 annually
  - in then out of BBB Act
- Focus is on middle class; avoidance of pauperization
- Strong consumer support, e.g. AARP

CHOOSE HOME Act: Returning in 2023?

- A New Medicare benefit
- Targeted eligibility:
  - Post Acute Patients
  - Meet SNF and HH eligibility criteria
  - Determined clinically appropriate for home recovery
- The benefit is a 30-day episode of care
- Works as an addition to Medicare Home Health
- Designed to save Medicare spending
Medicare HEAT Act: Is 2023 the year for telehealth?

- 2022 Medicare home health telehealth payment proposed reform
  - S 1309; HR 3371
  - HEAT Act (Home Health Emergency Access to Telehealth)
  - Permits CMS to pay for telehealth visits during a Public Health Emergency
    - Focus on visit equivalency

Home Health Palliative Care

- Medicare Home Health Palliative Care
  - Fits into existing benefit structure
    - Intermittent skilled care; homebound
      - Management and evaluation
      - Observation and assessment
      - Training and teaching
      - Hands-on skilled care
    - Services
    - Reimbursement
  - Modification of Medicare coverage manual
  - No need for congressional action
  - Specialized workforce needs?
  - Still pending at CMS
### PHE Ends May 11: What may change?

- **PHE Regulatory Flexibilities Expiring**
  - Covid vaccine administration: $40 per outpatient dose and $5.50 at home dose through end of calendar year
  - Monoclonal antibodies as of 1/1/24 through biological products benefit
  - Telehealth visits permitted permanently under HH benefit; no payment
  - Telehealth F2F through 2024
  - Homebound status: expect continuation of policy
  - Discharge planning info waiver will expire
  - POC and certification through practitioners permanent change
  - Patient record request returns to a 4 day standard from PHE 10 day standard
  - Aide onsite supervisory visit: assessments completed no later than 60 days after PHE ends

- **PHE Regulatory Flexibilities Expiring**
  - 12-hour aide in-service waiver expires
  - QAPI abbreviation waiver expires
  - On-site aide supervision: permanent change allowing a virtual visit every 60 days for skilled care patients; non-skilled patients every 60 days in-person
  - OASIS reporting waiver allowed delayed submission and extending 5-day completion to 30 days expires
  - Allowance of OT, PT, and SLP to perform comprehensive assessment all patients expires. OT made permanent allowance
  - Medicaid home health waivers
  - Hospice volunteer services waiver expires
  - Hospice non-core services waiver expires
FORECAST IS POSITIVE

- High interest in health care at home expansion
- Expanded managed home care (MA and Medicaid)
- Continuing payment rate challenges (no surprise there)
- Technology tools grow
- Workforce recruitment and retention difficulties continue
- Demand rises making service allocation necessary
- Payers look for high quality and low price