

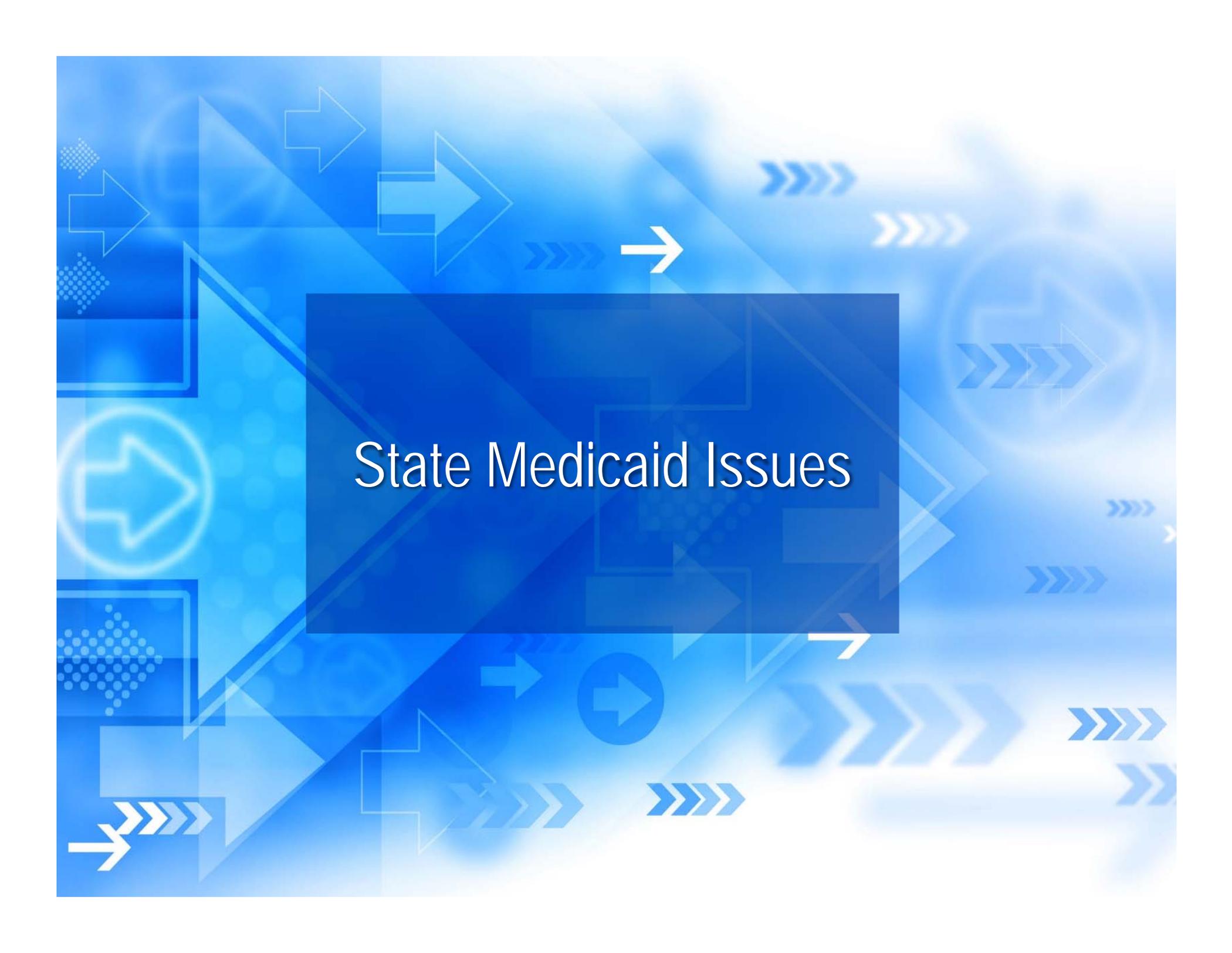
SENIOR FINANCIAL MANAGERS RETREAT

September 5-6, 2019

Mohonk Mountain House
New Paltz, NY

Patrick Conole
Vice President for
Finance and Management



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State Medicaid Issues



Ongoing Concerns with DOH & CHHA Rate Updates / Adjustments

- By Statute the CHHA Medicaid Episodic Payment System (EPS) is supposed to be re-based every 3 years. Implemented first in 2012, rebased in 2015. Was not re-based in 2018.
- In 2017, DOH added a 6.18% adjustment to the NYC CHHA EPS rates for a \$1 increase in the Minimum Wage. DOH has yet to add a new Minimum Wage adjustment to the 2018 or 2019 CHHA EPS.
- DOH has indicated they will no longer be issuing final or hotline rates. Normally, DOH issues Initial Medicaid rates in the beginning of the calendar year and final (or hotline) rates during the spring or summer. HCA asked for DOH to release a Dear Administration Letter (DAL) with this announcement but we are not sure if that will happen.
- DOH has yet to release 2019 CHHA Initial Medicaid Pediatric Rates (Fee-For-Service).
- HCA will continue our advocacy on all of these issues at the highest levels (Gov's Office, OHIP Director, Medicaid Director, DOH Commish and Division of Budget).



DOH to Launch New Home Health Cost Report

- DOH & KPMG will be conducting a “soft launch” workshops in Albany on Sept 9 and NYC on Sept 12 with a select group of Home Care providers to showcase the newly developed Home Care cost report. DOH states that recent legislation and developments have driven the need for a new Home Care cost report that captures a wider variety of information than the existing cost reports.
- Over the past several months, DOH has developed a cost report that will require submissions from Home Care providers throughout NYS. This includes all CHHAs, Licensed Home Care Services Agencies (LHCSAs), and Fiscal Intermediaries (FIs).
- DOH has also contracted with KPMG to conduct performance audits of the submitted Home Care cost reports. KPMG will leverage a Web-based Tool (the Tool) to collect cost report submissions, perform audit procedures, communicate with auditees, and develop both qualitative and quantitative reports from the information submitted into the Tool.



DOH to Launch New Home Health Cost Report - *continued*

- The workshop will cover the following topics:
 - Overview of the Home Care cost report process.
 - Introduction to the Web-based Tool that will be used for cost report submission and audit procedures.
 - Walkthrough and live demo of the schedules included in the Home Care cost report.
 - Audit process and protocol overview.
 - Timeline & Next steps



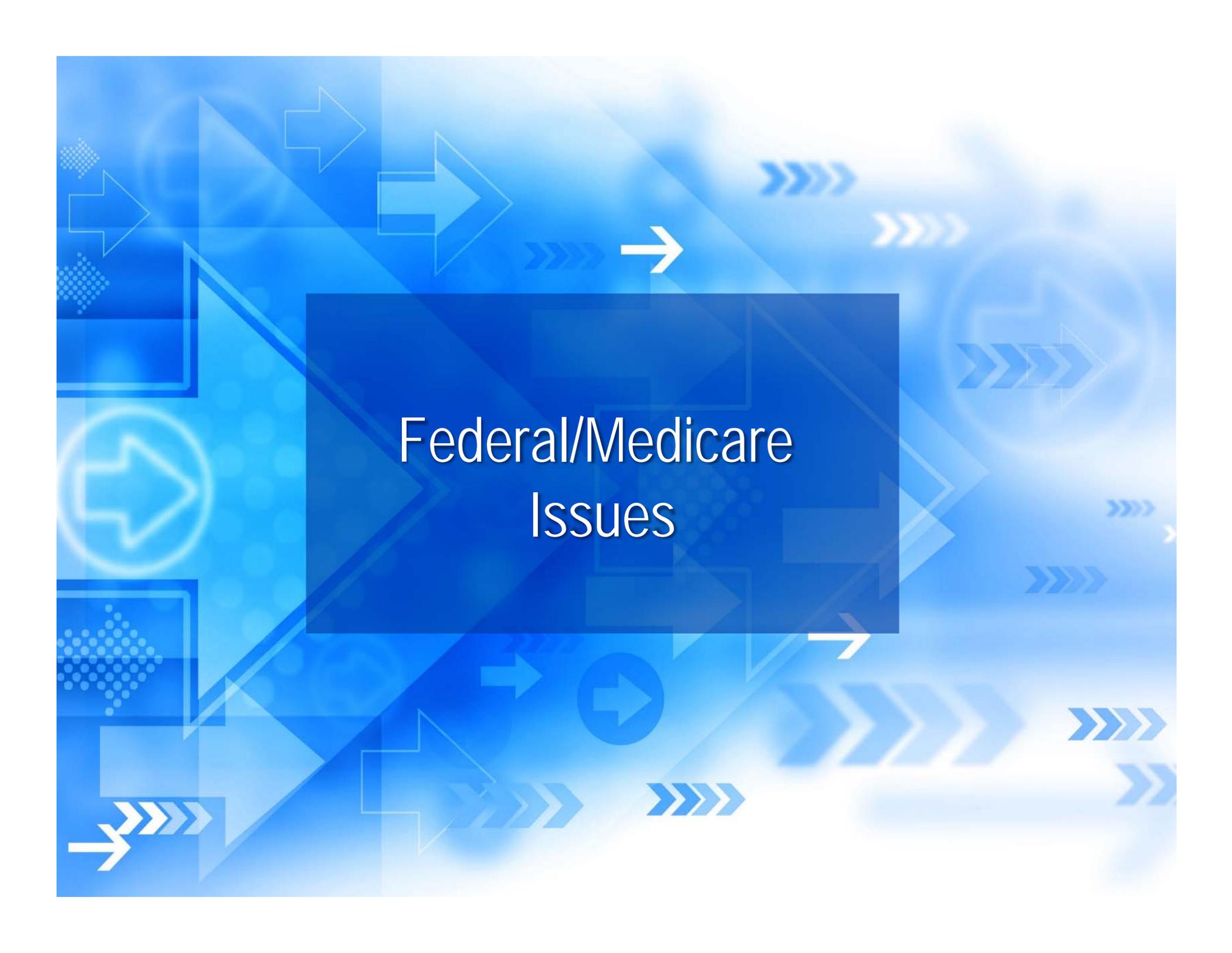
DOH to Launch New Home Health Cost Report - *continued*

- DOH states the overall purpose of the workshop and subsequent activities is to elicit attendee feedback to ensure the following:
 - The Home Care cost report instructions are clear, logical, and provide enough information for agencies to complete the cost report.
 - Agencies are able to understand what information is required for each of the cost report schedules.
 - Agencies are able to understand the functionality of the Web-based Tool for cost report submission and audit procedures.
- DOH has indicated that they would like this new Cost Report to replace the Medicaid Cost Report CHHAs and Personal Care providers submit for their updated Medicaid rates each year.



Other State Issues: TPL & Statistical Reports

- **Third Party Liability (TPL) Update:** Settlement Agreement & Traditional Bi-Annual Appeals Process Still Occurring.
- **Traditional Bi-Annual Appeals Process** - The OMIG and UMMS recently sent provider case selection report letters to many Medicare certified providers that includes a listing of all cases that need to be demand billed to Medicare for the first half of FFY 2019 only. Dates of service for this period include October 1, 2018 thru March 31, 2019. (Letter dated Aug 19, 2019)
- **The 2018 LHCSA Statistical Report** and 2018 ALP LHCSA Statistical Report will be released on the Healthcare Financial Data Gateway in the next few weeks. Both reports contain the form to register the LHCSA with the Department of Health for the year 2020.
- HCA expects DOH to release the 2018 CHHA Statistical Report later this fall and we will notify the membership when this is available.

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Federal/Medicare Issues

CMS's CY 2020 HH PPS Proposed Rule

General Overview

- On July 11, 2019, CMS put on display the proposed rule for the CY 2020 Medicare Home Health PPS.
- CMS subsequently published the proposed rule in Federal Register on July 18 – at: <https://www.govinfo.gov/content/pkg/FR-2019-07-18/pdf/2019-14913.pdf>
- HCA provided the membership with a detailed Public Policy Memorandum on CMS's proposed rule (in handouts) which can be accessed at: <https://hca-nys.org/wp-content/uploads/2019/07/CMS2020ProposedRuleMemo071919.pdf>



CMS's Proposed Rule Addresses Episodes that Start in 2019 But End in 2020

- PDGM applies only to care episodes that begin January 1, 2020 or after.
- CMS also updated the HHPPS rates for CY 2020 for episodes that begin before January 1, 2020 but end after that date.
- The CY 2019 payment model uses an “end date” approach to payment.
- CMS proposes to update the CY 2019 HHPPS base rate from \$3,154.27 to **\$3,221.43**.
- The latest the 60-day episodic payment will cover is an episode ending February 28, 2020 for an episode that began prior to January 1, 2020.
- The CY 2019 LUPA rates are increased by 1.5 percent (mandated market basket update) and also include a 1.0065 adjustment to account for wage index budget neutrality.
- The Non-Routine-Supply (NRS) add-on also updated.



Proposed CY 2020 Left PDGM Mostly Intact

- PDGM architecture already finalized in 2019.
- 2020 Proposed Rule Sets Out:
 - 30-Day Payment Unit
 - Revised Behavioral Adjustment
 - Updated Outlier Calculation
 - Updated Wage Index
 - Recalibrated Case-Mix Weights
 - Request for Anticipated Payment (RAP) changes
 - Notice of Admission Requirement.
 - Continuation of the Rural Add-On Phase Out



Proposed Changes to the PDGM Include:

- **Updated (Increased) Behavioral Adjustment:** While the proposed rule maintains that these changes are budget-neutral, the new model still includes a significant “behavioral adjustment” based solely on assumptions of behavioral changes that home health agencies might undertake in the future.
 - In 2019, CMS was proposing an estimated -6.42 percent reduction in base payment rates for this purpose but the CY 2020 proposed rule goes further with a stunning -8.01 percent downward adjustment.
 - This cut would apply in three parts, affecting: clinical group coding (-5.91 percent); comorbidity coding (-0.37 percent); and presumed extra visits by agencies seeking to surpass the Low Utilization Payment Adjustment (LUPA) threshold (-1.86 percent).



Proposed Changes to the PDGM – *continued*

- **Major RAP Payment Changes:** CMS is proposing to undo and phase-out the current split-percentage payment approach involving RAPs due to fraud and abuse concerns.
 - Under the current practice: 1) a RAP is submitted at the beginning of the initial episode for 60 percent of the anticipated final claim payment amount; 2) the final claim is submitted at the end of the 60-day episode while the entire payment amount is paid and the initial RAP payment is recouped; and 3) all subsequent episodes of continuous home health care are paid at a 50/50 percentage payment split.
 - Under CMS's proposed phase-out, existing providers would see a reduction in their RAP payments to 20 percent in 2020. RAPs would be eliminated completely in 2021 for all providers, and CMS is proposing that home health agencies submit a Notice of Admission within the first five days of admission to establish their "ownership" of the patient.



Major RAP Payment Changes – *continued*

- New CHHAs would not receive a RAP payment beginning in 2020.
- Beginning in CY 2021, CHHAs would have to submit to CMS (or the MACs) a Notice of Admission (NOA) within 5 days. Intended to make Common Working File most current and avoid “early” and “late” designations in PDGM. Penalties for late submission of the NOA.
- **Outlier Calculation Changes:** Fixed Dollar Loss (FDL) proposed to be increased from 0.51 to 0.63 under the new 30-day payment unit. This will decrease the volume of outlier claims but assure that CMS spends no more than 2.5 percent of total PDGM expenditures on outliers.



Other Details in the CY 2020 Proposed Rule

- Under the CY 2020 proposed rule, CMS projects that total Medicare payments to Home Health Agencies (HHAs) in 2020 will be **increased by \$250 million nationally**, based on the net impact of positive and negative rate adjustments. Specifically, this aggregate increase reflects the cumulative impact of the following:
 - A 1.5 percent home health payment rate increase (a \$290 million increase), as required by the BBA of 2018; and,
 - A 0.2 percent decrease in CY 2020 payments due to the rural add-on percentages changes mandated by the BBA of 2018 (a \$40 million decrease).
- A proposed change to allow **therapy assistants to perform maintenance therapy** under the supervision of a qualified therapist.
- Other updates to the HHVBP Demo, HHCAHPS, HHQRP and Home Infusion Therapy Initiative beginning in 2021.



HCA Comments on the Proposed Rule & Ongoing Advocacy

- HCA will be submitting detailed comments to CMS on the CY 2020 HHPPS proposed rule on **September 9**.
- Our comments will include numerous concerns about the PDGM such as:
 - Multiple issues with the assumed negative behavioral adjustment;
 - Issues with the Admission source category and case-mix preference;
 - Bundling of NRS into Base PDGM base rate;
 - LUPA Adjustment is too complicated;
 - Major concerns about the RAP changes and phase out proposed in CY 2021;
 - Possible access to care issue for patients needing therapy services;
 - Will MACs be ready to process PDGM claims?
- Ongoing problems with the F2F encounter;



HCA Comments on the Proposed Rule & Ongoing Advocacy – continued

- Dislike for the new rural add-on (that includes phase out provision);
- HCA urges wage index refinements to more accurately reflect local market conditions;
- HCA support of proposal to allow Therapy Assistants to provide maintenance therapy.
- HCA strongly encourages CMS and HHS to provide Home Health HIT and EHR grant funding to help promote interoperability and Electronic Healthcare Information Exchange.
- **HCA's Advocacy Efforts**
 - HCA's Policy Staff and Federal Advocacy Firm has met regularly with NY's Congressional Representatives asking for support of S.433 and H.R. 2573 which focuses on the behavioral adjustments and only permits adjustments after changes actually occur. Would also cap any adjustment to -2 percent annually and phased-in required.



Final 2020 Hospice Payment Rule

- On August 1, the U.S. Centers for Medicare and Medicaid Services (CMS) published in the Federal Register a final rule (CMS-1714-F) updating the Medicare hospice wage index and cap amount for fiscal year (FY) 2020. HCA's hospice members can download HCA Policy Memo on the FY 2020 final rule at: <https://hca-nys.org/wp-content/uploads/2019/08/MemoCMSFinalHospiceRule.pdf>
- As finalized, hospices nationally would see an **estimated 2.6 percent (\$520 million) increase in Medicare payments for FY 2020**. It also confirms:
 - Rebasing of Continuous Home Care (CHC), Inpatient Respite Care (IRC), and General Inpatient Care (GIP).
 - Reduction in Routine Home Care (RHC) payments – of 2.72 percent – to achieve budget neutrality due to rebasing of CHC, IRC, and GIP.



Final 2020 Hospice Payment Rule – continued

- Elimination of the one-year “lag” in use of the hospital wage index so that hospices are not a “year behind” in the applicable wage index used.
- The hospice payment system also includes a statutory aggregate cap. The aggregate cap limits the overall payments made to a hospice annually. The cap amount for FY 2020 will be **\$29,964.78** (2019 cap amount of \$29,205.44 increased by 2.6 percent).





NGS Updates

- HCA and other State Association representatives have 3 home health and hospice meetings a year with NGS, New York's principal HH&H Medicare Administrative Contractor. Detailed Memorandums are sent to the Membership after those meetings.
- Includes regularly updates on:
 - New Targeted Probe & Educate (TPE) Initiatives;
 - Other Medical Review Activities;
 - CERT Initiative;
 - Audit & Reimbursement;
 - Important Upcoming Educational Webinars & Conference Calls
- HCA will be attending the NGS Medicare Summit on Sept 17-18 in Las Vegas followed by in-person Hospice Advisory Meeting on Sept 19

HCA's Data Webpage

- In 2013, HCA introduced a new members-only web page called "HCA Data" at: <http://hca-nys.org/hca-data>
- The site includes links to data reports that will assist home care, hospice and managed care members in their benchmarking efforts, understanding of system-wide trends and access to reimbursement and premium rates.





HCA's Data Webpage includes the following resources:

- Home Health **Medicaid Cost Report** Summaries and the latest home care and hospice Directories from DOH.
- **Medicaid Managed Care Operating Report (MMCOR)** Data for MLTCs & PACE programs. Includes information on premium rates, percent of PMPM spent on Medical Services such as home health and unit cost and utilization data.
- LHCSA Statistical Report Data.
- Home Health Medicare Resources including NYS Medicare Cost Report Data from CMS.
- MLTC and Managed Care Resources from DOH.

HCA regularly updates the Data Webpage. During the year we have posted to the Webpage:

- 2017 CHHA Medicaid Cost Report data.
- The 2016 LHCSA Statistical Report data.
- Have a FOIL Request in with DOH for the 4th quarter 2018 MLTC & PACE MMCOR data from DOH. New Data on MMCORs – Escrow, Contingent Reserves, CDPAP Costs and Utilization & More.



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Thank you!