Home Care Final Rules... Are You Ready?

NMAHHC 2014 Winter Conference
January 30, 2014

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Home Health PPS Rate Update for 2014

- Final Rule published November 22, 2013.
- Payment changes effective for episodes ending January 1, 2014 and later. This includes episodes starting November 3, 2013 that go the full 60 days.
- Two new claims based quality measures for public reporting starting in 2015.
- Split the cost for home health surveys 50/50 between Medicare and Medicaid.

Payment Changes

- The 2014 rule includes rebasing adjustments, with a 4-year phase-in, to the national standardized 60-day episode payment rates; the national per-visit rates; and the NRS conversion factor.
- Rebasing reduction of 3.5% for CY 2014 to 2017.
- Base rate increased from $2,137.73 in 2013 to $2,869.27 or 34% in 2014.
Payment Changes

- Case Mix Weights decreased each HHRG by 25.7%.
- The reduction to case-mix weights is to adjust the average case-mix weight from projected 1.3464 in 2013 to 1.0 in 2014.
- Example - Early Episode, Low Therapy C1F1S1:
  - 2013 Case Mix - .8186
  - 2014 Case Mix - .6080

Payment Changes

- Average episode of care in the base year for rate setting involved 37 visits, primarily SN and HHA, while the current care utilization in an episode is less than 20 visits with few HHA services and significantly more therapy visits.
- 2nd Qtr 2013 Palmetto GBA claims – NM averaged 17 Visits per Episode

Payment Changes

- 2014 Wage Index.
  - The Wage Index impacts the labor portion of the payment which is 78.535% of the episode payment.
  - 2014 NM Payment Rates - Attachment A.
  - Additional 2% reduction if quality data is not submitted.
Payment Changes

- 2014 NM Wage Index
  - Wage Index % Change
    - Albuquerque .9663 1.3%
    - Farmington .9735 4.4%
    - Las Cruces .9262 2.4%
    - Santa Fe 1.0136 -2.5%
    - Rural .8922 0.5%

Payment Changes

- Elimination of 170 diagnosis codes from the list of case mix codes effective January 1, 2014.
- ICD-9-CM Codes removed from the HH PPS Grouper as of January 1, 2014 - Attachment B.
- Evaluate your Agency’s use of these codes in primary and 1st 5 secondary diagnosis to project impact in 2014.

Payment Changes

- Change to three LUPA add-on factors in calculating the LUPA add-on payment for LUPA episodes that are the only episode or the first episode in a sequence of adjacent episodes.
- The 2% Sequestration adjustment from April 2013 is still in effect.
Payment Changes

- Transition to ICD-10-CM coding effective October 1, 2014 and release of draft list of ICD-10-CM codes to be included in the HH PPS Grouper.
- Draft ICD-10 case mix included at Attachment C – ICD-10 Codes by Diagnosis Group, (19 versus 233 pages) and Attachment D – ICD-10 Codes by NRS Group Order, (2 versus 22 pages).

Payment Changes

- CMS doesn't expect to post the ICD-10 Grouper until July 1, 2014.
- The Grouper determines the points accumulated and resulting payment per HHRG.
- Little time to implement and evaluate the impact of both changes – ICD-10 and OASIS C1.

Other Changes – Claim Based Reporting

- Added two claims-based home health quality measures in 2015
  - Re-hospitalizations
  - Emergency department use
    - Each within the first 30 days of home health use
    - Measures would only include patients who were hospitalized in the five days before they began their home health stay
Other Changes – Survey Costs

- The final rule requires that state Medicaid programs contribute to the cost of HHA surveys 50/50 for Medicare and Medicaid surveys.

Winning Strategies

- Approaches vary by size of Agency and staff expertise
- Flexibility and willingness to change are key
- Volume and payer mix drive margins
- Focus on staffing costs - personnel costs comprise 80% of costs
- Prepare 2014 Operating and Cash Flow Budget

Winning Strategies - Productivity

- Increase productivity standard to offset payment cuts, report and manage productivity
- Know where you are at and start from there
- Track and report by employee
- Include as part of performance evaluation
Winning Strategies - Productivity

- Give staff tools to ease documentation burden
- Require timely documentation following the visit
- Explain the financial reasons for the change
- Simplify weighted visits
- Minimize non-billable visits
- Full use of scheduling system is critical to minimize travel time

Winning Strategies - Productivity

- Reinforce Productivity Goals around the office
- Meet with clinicians regularly to discuss progress on productivity goals
- Make visits more efficient to avoid sacrificing quality of care
- Encourage your clinicians to fill out patient documentation during the visit

Winning Strategies - Productivity

- Average Number of Visits per Day by Discipline - Visits are not weighted.
  - 2013 2012 2013 2012
  - RN 5.00 5.44 PT 5.20 5.12
  - OT 4.66 4.75 SP 4.15 4.19
  - MSW 3.16 3.15 HHA 5.48 5.07
  - LVN 5.59 5.25
Winning Strategies – Cost Controls

- Reduce administrative activities
  - Staff meetings
  - Evaluate effectiveness of training, education, and orientation
- Purchase generic medical supplies
- Evaluate drop shipping supplies

Winning Strategies – Cost Controls

- Evaluate administrative functions that do not require nurses – have nurse oversee non-nurse clerical staff for intake coordination, scheduling, and tracking functions
- Send clinical staff home when they do not have visits
- Track and manage employee mileage

Winning Strategies – Cost Controls and Payer Mix

- Evaluate Outsourcing of various functions – Coding, Billing, Payroll, Accounting, etc.
- Manage Utilization – Visits per episode by primary diagnosis
- Manage Payer Mix
- Medicare Advantage Plans – 30% of beneficiaries, 29% in NM – payment rates, co-pays, margins
Winning Strategies – Training and Cash Flow

- Manage Key Performance Indicators
- Ongoing Training
  - ICD-10 CM
  - OASIS C-1
- Billing and collections

Winning Strategies - 10 most common HH referral sources

- Hospitals
- Physicians – General
- Skilled Nursing Facilities
- Physicians – Specialists
- Inpatient Rehab
- Assisted Living Facilities
- Acute Care Rehab
- Wound Care Centers
- ACOs or other care transition projects
- Private Duty companies

Winning Strategies – Other Referral Sources

- Expand referral sources to include
  - Outpatient therapy
  - Churches for homebound patients
  - Meals on Wheels
  - Cross referrals within Agency
**Other Current Issues – Coverage Documentation**

- Change Request 8444 - Confined to the Home.
- Clarify definition of “Confined to the Home” for Medicare-covered home health services. See Attachment E.

**Other Current Issues – Physician NPI in PECOS**

- MLN Matters # SE1305 – Full Implementation of Denial Edits on the Ordering/Referring Physicians in Medicare Home Health Agency Claims
- Effective with episodes that begin on or after January 6, 2014.
- Attending physician NPI must be in the eligible attending physician files from PECOS.

**Other Current Issues – F2F**

- Face to Face Denials, Palmetto GBA 3rd Qtr. - 70% of denials were for F2F
- Charge Denial Rate, Palmetto GBA 2nd Qtr. - 36% for NM
- 16 State Coalition meeting October 14, 2013 - Include F2F documentation on all episodes selected for review regardless of which episode is being reviewed.
Other Current Issues - F2F

- Required F2F documentation continues to be a moving target
- Problem is HHAs are responsible for what they physician documents and what CMS wants is not realistic for the physician to spend the time documenting
- Continue to work with physician office staff
- Evaluate F2F tracking system within 30 days of admission

Other Current Issues – F2F

- Get doctors to detail homebound status on F2F forms to avoid denials – Attachment F.
- Information from Palmetto GBA – Face to Face Checklist - Attachment G.
- MLN Matters # SE1405 – Documentation Requirements for HH PPS Face-to-Face Encounter - Includes Examples

Other Current Issues – Improvement Standard

- CMS Updates Coverage Manual to Comply with the Jimmo v. Sebelius Decision – Attachment H.
- No "Improvement Standard” is to be applied
- Enhanced guidance on appropriate documentation
Other Current Issues - HETS

- Termination of the Common Working File HIQH Queries.
- Effective April 7, 2014.
- Utilize other query capabilities such as the HIPPA Eligibility Transaction System (HETS).
- Notify billing staff and check with vendor.
- MLN Matters #MM8248 – Attachment I.

Other Current Issues – Physician PECOS

- MLN Matters # MM8441
- Reporting Requirements for the Certifying Physician and the Physician Who Signs the Plan of Care
- Effective with episodes that begin on or after July 1, 2014.
- NPI and name of both physicians reported on claim. Notify billing staff.

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