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CMS Finalizes Home Health Payment Rule for 2022

Includes 4.36% Assumption-Based Rate Cut Despite Concerns, Expands Home Health Value-Based Purchasing Model in 2023

Washington, D.C. — The Partnership for Quality Home Healthcare – a coalition of home health leaders dedicated to developing innovative reforms to improve the program integrity, quality, and efficiency of home healthcare for our nation’s seniors – again cautioned today that the 4.36 percent payment cut to home health included in the Centers for Medicare & Medicaid Services’ (CMS) [Home Health Prospective Payment System \(“HHPPS”\) Final Rule](#) for Calendar Year (CY) 2022 is not supported by data, despite the Partnership’s consistent efforts to present [outside data analysis](#) indicating that the behavioral assumption rate cut is unjustified. However, the Partnership appreciates that CMS will consider all alternative approaches as they continue to develop and refine a methodology for annually determining the difference between assumed versus actual behavior changes on estimated aggregate expenditures.

In its [comments to CMS](#) on the Proposed HHPPS Rule, the Partnership outlined concerns related to CMS’ budget neutrality methodology while also highlighting significant increases in labor costs across the home health sector. A recent [labor cost survey](#) of Partnership members conducted by Dobson DaVanzo & Associates (DDA) in August demonstrates that wages and associated home health industry expenses rose significantly between 2019 and 2021.

“While we continue to have concerns over the implementation of the behavioral adjustment cuts, the slight uptick in the payment rate for 2022 takes a modest step in recognizing the increased labor costs home health providers are continuing to experience,” said Joanne Cunningham, executive director of the Partnership. “We note CMS’ commitment in the final rule to consider all alternative approaches to the budget neutrality methodology and we look forward on working with them to properly address this in future rulemaking.”

CMS also finalized the expansion of the Home Health Value-Based Purchasing (HHVBP) Model in today’s Final Rule, which the Partnership recognizes as a positive program for both patients and their home health providers.

“We support the expansion of the HHVBP Model in today’s Final Rule and look forward to being part of this innovative program, which shows significant promise for improving the quality and delivery of home healthcare to older Americans,” added Cunningham.

The Partnership will continue to review the Final HHPPS Rule and may provide additional comment following a complete assessment of its policies.

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About the Partnership for Quality Home Healthcare

The **Partnership for Quality Home Healthcare** was established in 2010 to work in partnership with government officials to ensure access to quality home healthcare services for all Americans. Representing community- and hospital-based home healthcare agencies nationwide, the Partnership is dedicated to developing innovative reforms to improve the program integrity, quality and efficiency of home healthcare for our nation's seniors. Visit pqhh.org to learn more.