# 2022 National Update: Home Health and Hospice

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## **Current Environment**

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- COVID-19 drives health care
- Public and health care community awareness and respect for home care grows
- Home care showing versatility and depth by making fast adjustments while adding Covid-19 patients into service
- Technology as a real tool has taken a quantum leap
- Demand exceeding workforce supply
- Congressional recognition of health care workforce shortages and stresses
- Strong, bipartisan support for health care at home

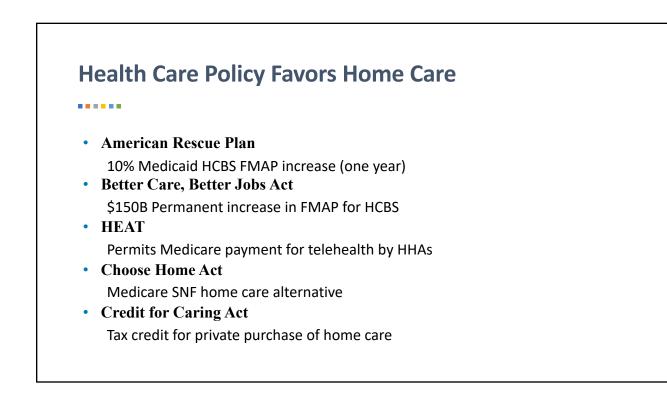
Active HHAs							
•	2015	2016	2017	2018	2019	2020	2021
National	12,646	12,514	12,128	11,869	11,732	11,725	11,629
Louisiana	208	203	196	193	191	186	186
California	1,348	1,401	1,427	1,501	1,661	1,854	1,860
Florida	1,252	1,184	1,088	1,026	997	1,019	1,026
Illinois	783	762	715	667	626	589	567
Mississippi	44	46	46	46	46	46	46
Alabama	151	150	150	150	132	121	119
Texas	2,659	2,577	2,444	2,292	2,203	2,111	2,104

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					by Type	of Entitlemen	t, Calenda	r Year 20	14-2019					
	Total	Total		Service Visits Per	Service Visits Per 1,000			Episodes	Episodes Per 1,000		Program		Program	Program Payments Pe
	Original	Persons		Person With	Original Medicare		Service Visits Per	Per Person	Original Medicare		Payments	Program Payments Per	Payments Per	Original Medicare
Type of Entitlement and Calendar Year	Medicare Enrollees	With Utilization	Total Service Visits			Total Episodes 1	Episode	With Utilization		Total Program Payments	Per Service Visit	Episode	Person With Utilization	Enrollee
All Beneficiaries														
2014	37,790,373	3,417,202	109,285,002	31.98	2,892	6,561,548	16.66	1.92	174	\$17,736,862,146	\$162	\$2,703	\$5,190	\$46
2015	38,025,274	3,454,424	109,423,303	31.68	2,878	6,591,060	16.60	1.91	173	18,203,863,061	166	2,762	5,270	47
2016	38,610,384	3,451,590	108,334,992	31.39	2,806	6,516,366	16.63	1.89	169	18,117,017,609	167	2,780	5,249	46
2017	38,667,830	3 397 931	104,825,686	30.90	2,711	6,316,475	16.60	1.86	163	17,830,843,716	170	2.823	5,255	46
	50,007,050	5,552,551	104,025,000	50.50	2,711	0,510,475	10.00	1.00	105	17,050,045,710	1/0	2,025	5,255	40.
2018	38,665,082	3,365,951	103,969,027	30.89	2,689	6,236,655	16.67	1.85	161	17,934,054,271	172	2,876	5,328	46
2019	20 577 012	2 281 402	100 220 266	20.54	2 508	6 047 416	16.57	1.04	157	17 850 864 070	178	2.052	5 440	46
2019	38,577,012	3,281,493	100,229,366	30.54	2,598	6,047,416	16.57	1.84	157	17,850,864,070	1/8	2,952	5,440	46

Active HOSPICES									
•	2015	2016	2017	2018	2019	2020	2021		
National	4443	4622	4789	4919	5129	5470	6054		
Louisiana	136	135	128	126	125	127	125		
California	713	836	973	1063	1178	1412	1790		
Florida	44	44	44	46	46	48	50		
Illinois	126	126	125	126	123	125	131		
Mississippi	105	100	103	97	95	95	94		
Alabama	112	110	95	94	94	93	91		
Texas	545	579	623	669	729	779	875		

					R HOSPICE 1					
				WDC	IN HOSPICE I					
		Media	are Hospices: U	tilization and P	rogram Payments	for Medicare Benefic	iaries,			
			by Ty	pe of Entitleme	ent, Calendar Year	2014-2019				
				Covered Days	Covered Days of		Program Payments Per	Program	Program Payments Per	
Type of Entitlement and	Total Part A	Total Persons		Person With	Care Per 1,000	Total Program	Person With	Payments Per	Part A	
Calendar Year	Enrollees	With Utilization	Days of Care	Utilization	Part A Enrollees	Payments	Utilization	Covered Day	Enrollee	Discharged Dead
All Beneficiaries										
2014	53,674,802	1,333,082	92,074,436	69.07	1,715	\$15,071,189,263	\$11,306	\$164	\$281	972,794
2015	55,153,316	1,395,448	96,123,379	68.88	1,743	15,892,390,561	11,389	165	288	1,020,371
2016	56,639,078	1,440,515	101,430,260	70.41	1,791	16,846,739,481	11,695	166	297	1,049,117
2017	58,115,382	1,505,365	106,620,905	70.83	1,835	17,922,120,720	11,905	168	308	1,100,111
2018	59,649,951	1,563,711	113,984,289	72.89	1,911	19,251,028,737	12,311	169	323	1,132,665
2019	61,166,694	1,622,426	122,351,397	75.41	2,000	20,898,968,953	12,881	171	342	1,165,353

re Enrolln	nent	
TOTAL	ORIGINAL	Medicare Advantage +
54,013,038	37,790,373	16,222,665
62,840,267	37,776,345	25,063,922
+8,827,229	-14,028	+8,841,257
-	TOTAL 54,013,038 62,840,267	54,013,038 37,790,373   62,840,267 37,776,345



## **All Home Care Sectors Issues**

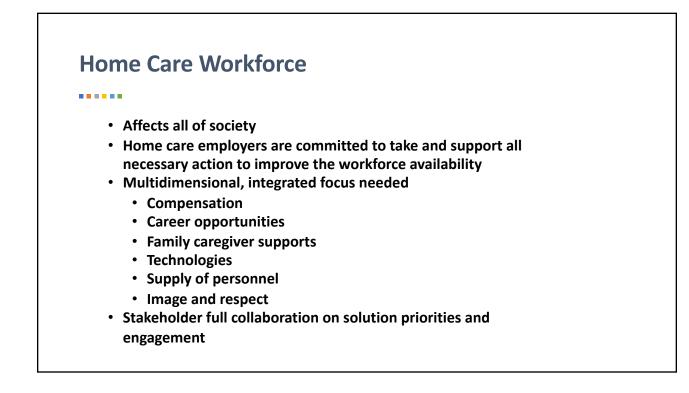
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- Workforce, workforce, workforce
- Vaccination

Staff reluctance remains high among home care aides and some other staff

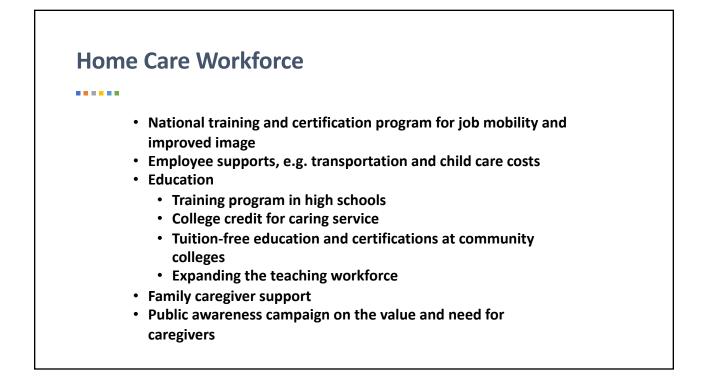
Mandates: CMS and DoL rules issued Supreme Court negates DoL rule Supreme Court supports CMS rule Under implementation

State and employer mandates State prohibitions



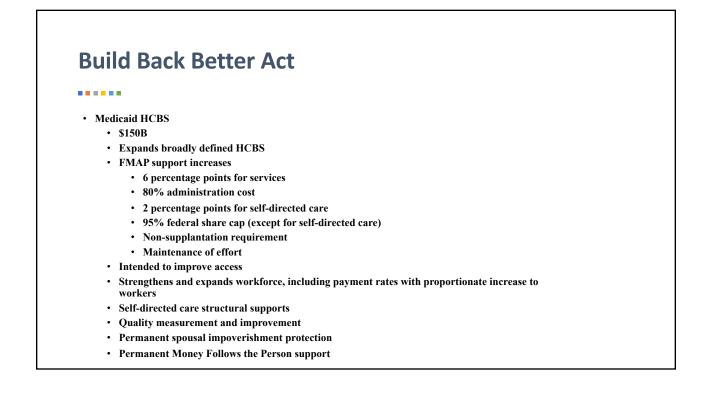
## Home Care Workforce

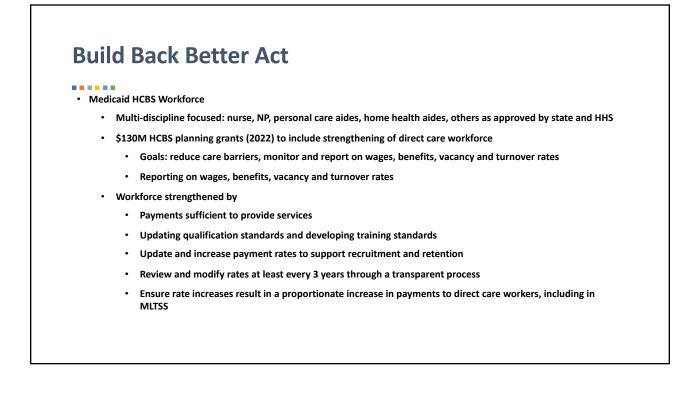
- Solutions to consider
  - Compensation
    - Medicaid HCBS payment rates
    - Consumer tax credits
    - Health insurance
  - Career opportunities
    - Care Corps
      - GI Bill type support
      - Student work-study
      - · Education grants and scholarships; loan forgiveness
      - Teach America/Peace Corp model for care in underserved areas
  - Employer supports, e.g. tax credit, SBA loans/grants





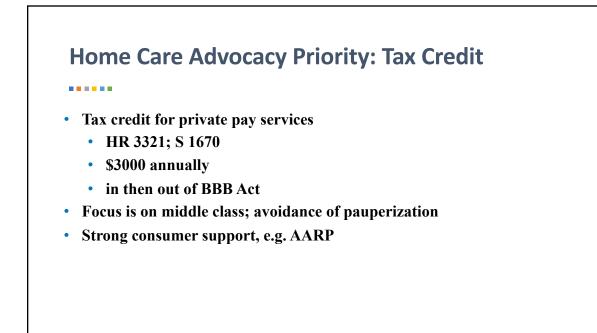
- Workforce Enhancement Planning
  - \$1.0 B funding to support projects to develop recruitment, retention, education, and career advancement support for direct care, long term care workforce
    - Direct support professional, HCBS direct care worker, respite care provider, palliative care worker
  - Eligible entities
  - State, labor organization, nonprofit, tribe, State or local board, AAA, consortium of such entities
  - · Equitable geographic diversity in grant awards
  - 3-year grants
  - · Development of strategies to increase the workforce
  - Public transparency in grant award
  - · Awardees "shall consult" with stakeholders
  - Supplement, not supplant funds for same purposes





## **Build Back Better Act**

- Hospice and Palliative Caregiver Workforce--\$90M
  - Palliative Care and Hospice Education and Training-\$25M
  - Palliative Medicine Physician Training--\$20M
  - Palliative Care and Academic Career Awards--\$20M
  - Hospice and Palliative Nursing--\$20M
  - Dissemination of Palliative Care Information--\$5M
- Essential equivalent to longstanding PCHETA bill



# Medicare Advocacy Priority: Sequestration

- Sequestration moratorium expires 3/31/22
  - Would trigger 1% Medicare rate cuts for all providers; 2% cut beginning 7/1/22
- Broad coalition supports moratorium extension
- Requires Congressional action
- · All provider sectors continue to express concern
  - Increased labor costs
  - Price inflation cost factors, e.g. gas

## Home Health Care Advocacy Priority: CHOOSE HOME

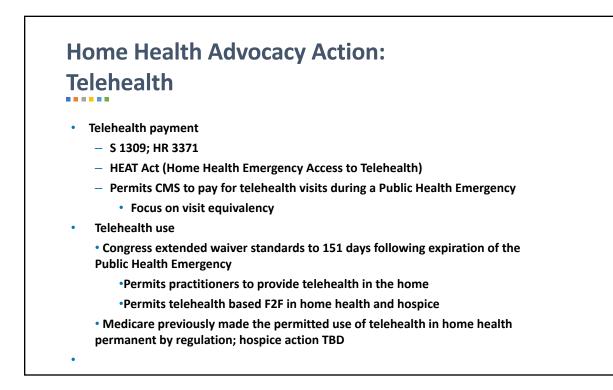
- A New Medicare benefit
- Targeted eligibility:
  - Post Acute Patients
  - Meet SNF and HH eligibility criteria
  - Determined clinically appropriate for home recovery
- The benefit is a 30-day episode of care
- Works as an addition to Medicare Home Health
- Has four risk adjusted payment levels

# Home Health Care Advocacy Priority: CHOOSE HOME

- S. 2562; H.R. 5514
- Bipartisan support
  - 17 Senator cosponsors
  - 40 House members (Clay Higgins and Mike Johnson-R-LA)
- Strong consumer supports—AARP, NCOA, Allies for Independence
- Designed to save Medicare spending

# Home Health Care Advocacy Priority: CHOOSE HOME

- Built on the home health benefit as an "add-on"
  - Additional services covered
  - Additional payment
- Payment levels based on volume of personal care services
- HHAs would need to meet additional CoPs
- Looking to have bills proceed as part of end of year legislative package



## Home Health Advocacy Action: 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?

## **Hospice Advocacy Action**

- Community-based palliative care model (S 2565 Expanding Access to Palliative Care Act)
- Flexibilities in respite benefit time frame and site
- VBID demonstration program with MA plans
- Opposition to MedPAC recommended reform
  - 20% Hospice cap reduction
- Managing increased oversight on care utilization and care quality

## Medicare HH 2023 Proposed Rule

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- CY 2023 Home Health Prospective Payment System Rate Update and..... Much More
- https://public-inspection.federalregister.gov/2022-13376.pdf
- \$810M expected spending decrease
- 2.9% inflation rate update
- 0.2% decrease in outlier spending
- 7.69% 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

#### **2023 Payment Rates** Base payment rates are increased by a net Market Basket Index of 2.9% An annual inflation update of 3.3 • Reduced by a 0.2 Productivity Adjustment to net at 2.9% PDGM 7.69% Budget Neutrality Adjustment (BNA) TABLE B27: CY 2023 NATIONAL, STANDARDIZED 30-DAY PERIOD PAYMENT AMOUNT CY 2022 Permanent Case-Mix Wage CY 2023 CY 2023 Index National BA Weights HH National, Standardized Adjustment Budget Budget **Payment** Standardized **30-Day Period** Factor Neutrality Neutrality Update **30-Day Period** Payment Factor Factor Payment \$2,031.64 0.9231 0.9895 0.9975 1.029 \$1,904.76

## **Medicare PDGM Outlook**

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- · High degree of instability for 2023 if proposal finalized
- Further risk in later years with \$2-3B reconciliation proposal
- Rulemaking presents opportunity to convince CMS to use an alternative BNA methodology
- Congressional supporters involved
- Data shows significant behavioral changes
  - Therapy utilization
  - Wound care patients
  - Functional status reporting

# CY2023 Medicare Home Health Rule Action Plan

- Deep-dive analysis of proposed BNA methodology
- Coordinated submission of comments and recommendations on the proposed rule
  - Market Basket Index update
  - Case mix weight recalibration
  - Budget neutrality evaluation
- Congressional action to control BNA methodology and outcome
- Legal action?

## **Expanded HHVBP**

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- Nationwide beginning 1/1/2023
- First performance year -2023
- First payment year -2025
- Payment increase or decrease up to 5%
- National cohorts: very small/all others
- Quality achieved or improved from the baseline year

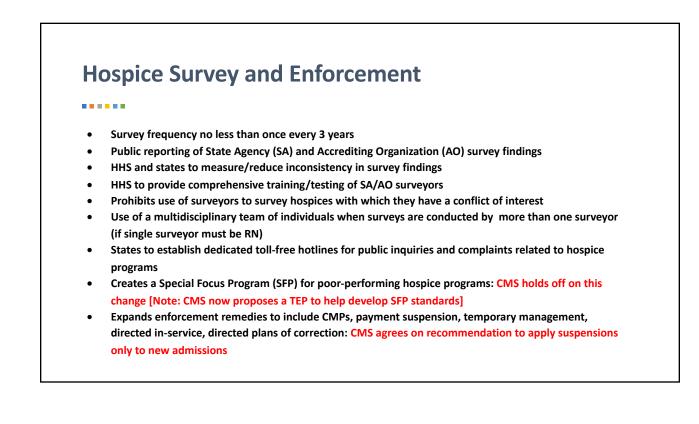
## **Expanded HHVBP**

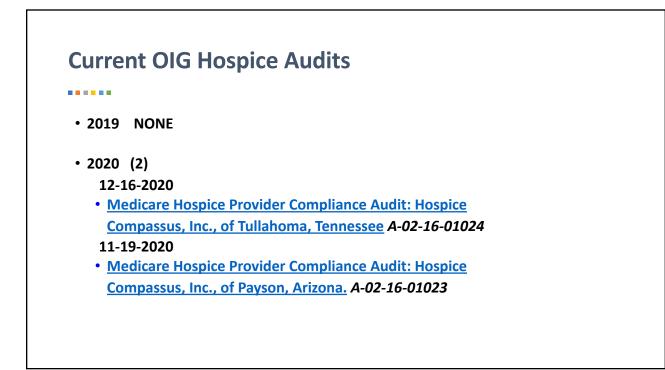
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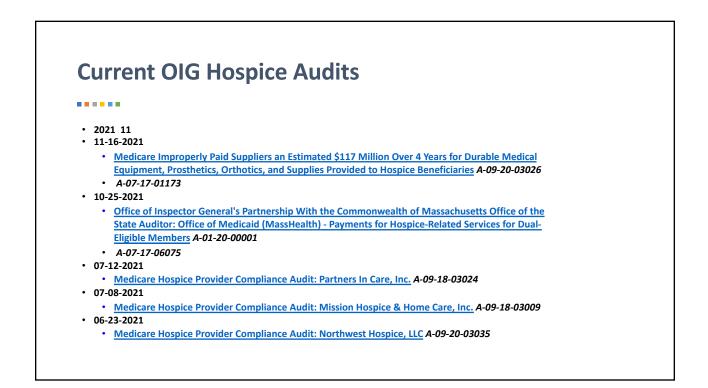
**NAHC Comments:** 

- Postpone start date to allow HHAs to prepare----CMS agreed to a one-year delay
- Use state-specific cohorts---CMS rejected proposal on the basis that there would be too few "small" HHAs to support a separate cohort
- HHAs should share in saving to the Medicare program (average \$141 million saved each year of HHVBP)—CMS said it was not within the scope of the proposal
- Measures should reflect stabilization as well as improvement---CMS claims the risk adjuster takes care of such
- Stronger risk adjustment model

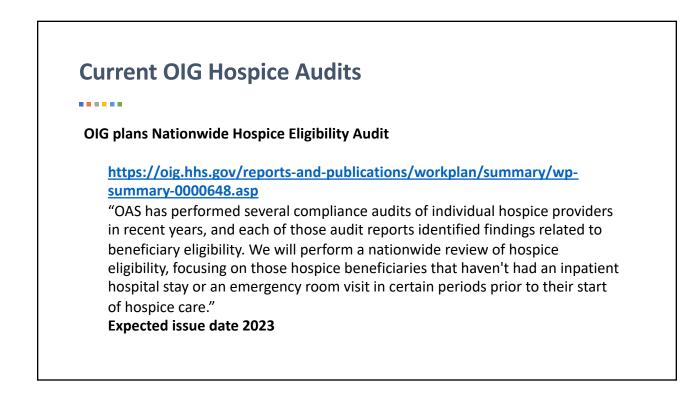












## MEDICARE FY2023 HOSPICE PROPOSED RULE

- https://public-inspection.federalregister.gov/2022-07030.pdf
- Estimated \$580M in increased Medicare spending
- Payment update at 2.7% (3.1-0.4 productivity adjustment)
- Aggregate cap value of \$32,142.65
- 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

# Areas to Watch: President's FY23 Budget Proposal

- Few Home Care-Specific policies
- Extend sequestration through 2032 (currently 2031)
- Health care workforce supports (\$2.1B)
- Expanded program integrity and oversight efforts (\$899M)
  - Medicare claim review as a priority
  - Prohibiting unsolicited beneficiary contacts (includes HHAs)
  - Focus on MA plan provider data
- Health equity investments in data (\$35M)
- Survey and certification increased funding (\$494M)
- DoL supports for infection control, workplace violence, PPE protections, Wage & Hour protection (\$27M + \$61M)
- HIT interoperability supports (\$52M)
- Administration for Community Living (\$668M increase to \$3.1B)
- Telehealth Center for Excellence at AHRQ
- Medicare coverage of Community Health Workers services (preventive, chronic, and behavioral care)

## Areas to Watch

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- Increasing Medicare Advantage enrollment
  - Home health
  - Hospice-VBID
  - Supplemental health services
- Expanded use of Managed Medicaid Long Term Services and Supports
- Growth in Accountable Care Organizations
- Horizontal integration of health care at home
- New competition as breadth of health care at home grows
- 2022 election

### Areas to Watch

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- MedPAC Recommendations for 2023
  - Home Health: 5% rate reduction
  - Hospice: freeze rates; 20% reduction in annual cap
- Medicare Trust Fund bankruptcy?
- Workforce competition intensifies

## **Looking Forward: Forecast**

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- Patient census returns/increases
- CMS makes positive changes permanent
  - Telehealth
  - Reduced red tape/administration
- Care delivery models change
  - Joining of service and technologies driven by data knowledge
  - Earlier integration of care at home pre-acute, acute, and post-acute
  - Palliative care added
  - Physicians and NPP as partners and competitors
  - Payers become providers, e.g. MCOs acquiring HHAs and Hospices
- Some return to the usual
  - Payment rates
  - Staffing
  - Oversight
- Perception of home care as a positive value continues to grow
- Workforce challenges met, at least in part!