

2022 National Update: Home Health and Hospice

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Current Environment



- **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



MDCR HHA 1

Medicare Home Health Agencies: Persons with Utilization, Total Service Visits, Total Episodes, and Total Program Payments for Original Medicare Beneficiaries,

by Type of Entitlement, Calendar Year 2014-2019

Type of Entitlement and Calendar Year	Total Original Medicare Enrollees	Total Persons With Utilization	Total Service Visits	Service Visits Per Person With Utilization	Service Visits Per 1,000 Original Medicare Enrollees	Total Episodes	Service Visits Per Episode	Episodes Per Person With Utilization	Episodes Per 1,000 Original Medicare Enrollees	Total Program Payments	Program Payments Per Service Visit	Program Payments Per Episode	Program Payments Per Person With Utilization	Program Payments Per Original Medicare 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	\$469
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	479
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	469
2017	38,667,830	3,392,931	104,825,686	30.90	2,711	6,316,475	16.60	1.86	163	17,830,843,716	170	2,823	5,255	461
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	464
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	178	2,952	5,440	463



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



MDCR HOSPICE 1

Medicare Hospices: Utilization and Program Payments for Medicare Beneficiaries,

by Type of Entitlement, Calendar Year 2014-2019

Type of Entitlement and Calendar Year	Total Part A Enrollees	Total Persons With Utilization	Total Covered Days of Care	Covered Days of Care Per Person With Utilization	Covered Days of Care Per 1,000 Part A Enrollees	Total Program Payments	Program Payments Per Person With Utilization	Program Payments Per Covered Day	Program Payments Per Part A 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

Medicare Enrollment

YEAR	TOTAL	ORIGINAL	Medicare Advantage +
2014	54,013,038	37,790,373	16,222,665
2020	62,840,267	37,776,345	25,063,922
CHANGE	+8,827,229	-14,028	+8,841,257

Health Care Policy Favors Home Care



- **American Rescue Plan**
10% Medicaid HCBS FMAP increase (one year)
- **Better Care, Better Jobs Act**
\$150B Permanent increase in FMAP for HCBS
- **HEAT**
Permits Medicare payment for telehealth by HHAs
- **Choose Home Act**
Medicare SNF home care alternative
- **Credit for Caring Act**
Tax credit for private purchase of home care

All Home Care Sectors Issues



- **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



- **Affects all of society**
- **Home care employers are committed to take and support all necessary action to improve the workforce availability**
- **Multidimensional, integrated focus needed**
 - **Compensation**
 - **Career opportunities**
 - **Family caregiver supports**
 - **Technologies**
 - **Supply of personnel**
 - **Image and respect**
- **Stakeholder full collaboration on solution priorities and engagement**

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**

Home Care Workforce



- **National training and certification program for job mobility and improved image**
- **Employee supports, e.g. transportation and child care costs**
- **Education**
 - Training program in high schools
 - College credit for caring service
 - Tuition-free education and certifications at community colleges
 - Expanding the teaching workforce
- **Family caregiver support**
- **Public awareness campaign on the value and need for caregivers**

Build Back Better Act: Does it have life?



- **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



- **Medicaid HCBS**
 - **\$150B**
 - **Expands broadly defined HCBS**
 - **FMAP support increases**
 - 6 percentage points for services
 - 80% administration cost
 - 2 percentage points for self-directed care
 - 95% federal share cap (except for self-directed care)
 - **Non-supplantation requirement**
 - Maintenance of effort
 - **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**

Build Back Better Act



- **Medicaid HCBS Workforce**
 - Multi-discipline focused: nurse, NP, personal care aides, home health aides, others as approved by state and HHS
 - \$130M HCBS planning grants (2022) to include strengthening of direct care workforce
 - Goals: reduce care barriers, monitor and report on wages, benefits, vacancy and turnover rates
 - Reporting on wages, benefits, vacancy and turnover rates
 - 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 3 years through a transparent process
 - Ensure rate increases result in a proportionate increase in payments to direct care workers, including in MLTSS

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**

Home Care Advocacy Priority: Tax Credit



- **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**

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: Telehealth



- **Telehealth payment**
 - 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**
- **Telehealth use**
 - **Congress extended waiver standards to 151 days following expiration of the Public Health Emergency**
 - **Permits practitioners to provide telehealth in the home**
 - **Permits telehealth based F2F in home health and hospice**
 - **Medicare previously made the permitted use of telehealth in home health permanent by regulation; hospice action TBD**
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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



- 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 National Standardized 30-Day Period Payment	Permanent BA Adjustment Factor	Case-Mix Weights Budget Neutrality Factor	Wage Index Budget Neutrality Factor	CY 2023 HH Payment Update	CY 2023 National, Standardized 30-Day Period Payment
\$2,031.64	0.9231	0.9895	0.9975	1.029	\$1,904.76

Medicare PDGM Outlook



- **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



- **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



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**

Hospice Quality of Care



- **OIG**
 - [Hospice Deficiencies Pose Risks to Medicare Beneficiaries \(OEI-02-17-00020\)](#)
 - [Safeguards Must Be Strengthened To Protect Medicare Hospice Beneficiaries From Harm \(OEI-02-17-00021\)](#)
- **Congress**
 - Section 407(b) of the Consolidated Appropriations Act, 2021
- **CMS**
- <https://www.federalregister.gov/public-inspection/2021-23993/medicare-and-medicaid-programs-cy-2022-home-health-prospective-payment-system-rate-update-home>

Hospice Survey and Enforcement



- Survey frequency no less than once every 3 years
- Public reporting of State Agency (SA) and Accrediting Organization (AO) survey findings
- HHS and states to measure/reduce inconsistency in survey findings
- HHS to provide comprehensive training/testing of SA/AO surveyors
- Prohibits use of surveyors to survey hospices with which they have a conflict of interest
- Use of a multidisciplinary team of individuals when surveys are conducted by more than one surveyor (if single surveyor must be RN)
- States to establish dedicated toll-free hotlines for public inquiries and complaints related to hospice programs
- Creates a Special Focus Program (SFP) for poor-performing hospice programs: **CMS holds off on this change [Note: CMS now proposes a TEP to help develop SFP standards]**
- Expands enforcement remedies to include CMPs, payment suspension, temporary management, directed in-service, directed plans of correction: **CMS agrees on recommendation to apply suspensions only to new admissions**

Current OIG Hospice Audits



- 2019 NONE
- 2020 (2)
 - 12-16-2020
 - [Medicare Hospice Provider Compliance Audit: Hospice Compassus, Inc., of Tullahoma, Tennessee](#) A-02-16-01024
 - 11-19-2020
 - [Medicare Hospice Provider Compliance Audit: Hospice Compassus, Inc., of Payson, Arizona](#) A-02-16-01023

Current OIG Hospice Audits



- 2021 11
- 11-16-2021
 - [Medicare Improperly Paid Suppliers an Estimated \\$117 Million Over 4 Years for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Provided to Hospice Beneficiaries](#) A-09-20-03026
 - A-07-17-01173
- 10-25-2021
 - [Office of Inspector General's Partnership With the Commonwealth of Massachusetts Office of the State Auditor: Office of Medicaid \(MassHealth\) - Payments for Hospice-Related Services for Dual-Eligible Members](#) A-01-20-00001
 - A-07-17-06075
- 07-12-2021
 - [Medicare Hospice Provider Compliance Audit: Partners In Care, Inc.](#) A-09-18-03024
- 07-08-2021
 - [Medicare Hospice Provider Compliance Audit: Mission Hospice & Home Care, Inc.](#) A-09-18-03009
- 06-23-2021
 - [Medicare Hospice Provider Compliance Audit: Northwest Hospice, LLC](#) A-09-20-03035

Current OIG Hospice Audits



- 06-10-2021
 - [Medicare Hospice Provider Compliance Audit: Professional Healthcare at Home, LLC](#) A-09-18-03028
- 05-18-2021
 - [Medicare Hospice Provider Compliance Audit: Franciscan Hospice](#) A-09-20-03034
- 05-14-2021
 - [Medicare Hospice Provider Compliance Audit: Alive Hospice, Inc.](#) A-09-18-03016
 - [Medicare Hospice Provider Compliance Audit: Ambercare Hospice, Inc.](#) A-09-18-03017
- 05-07-2021
 - [Medicare Hospice Provider Compliance Audit: Suncoast Hospice](#) A-02-18-01001
- 04-21-2021
 - [Office of Inspector General's Partnership with the Office of the New York State Comptroller: Improper Medicaid Payments for Individuals Receiving Hospice Services Covered by Medicare](#) A-02-21-01008
- 02-22-2021
 - [Medicare Hospice Provider Compliance Audit: Tidewell Hospice, Inc.](#) A-02-18-01024

Current OIG Hospice Audits



OIG plans Nationwide Hospice Eligibility Audit

<https://oig.hhs.gov/reports-and-publications/workplan/summary/wp-summary-0000648.asp>

“OAS has performed several compliance audits of individual hospice providers in recent years, and each of those audit reports identified findings related to beneficiary eligibility. We will perform a nationwide review of hospice eligibility, focusing on those hospice beneficiaries that haven't had an inpatient hospital stay or an emergency room visit in certain periods prior to their start of hospice care.”

Expected issue date 2023

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



- **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



- **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



- 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!