

CMS Proposes Overhaul to the Home Health Prospective Payment System in 2020

Home health agencies paid under the prospective payment system (PPS) would see a significant change to the way they are paid in 2020 based on a [proposed rule](#) issued by the Centers for Medicare and Medicaid Services (CMS) on July 2. The patient-driven grouping model (PDGM), formerly known as the home health grouping model (HHGM), is an effort to move away from therapy as the primary determinant of payment. Instead, CMS intends to use the PDGM to pay based on patient characteristics. The PDGM is also impacted by provisions of the Bipartisan Budget Act of 2018, which mandated CMS remove therapy as a determinant of payment and move from a 60-day episode to a 30-day payment period by 2020.

Key provisions of the proposed rule include:

- payment based on source of admission; either from the community or an institution such as an acute care inpatient hospital;
- increasing payment by as much as 20% based on the presence of comorbidities;
- paying based on one of six clinical categories for which the patient is admitted to home health including Musculoskeletal Rehabilitation (to include speech-language pathology), Neuro/Stroke Rehabilitation (to include speech-language pathology), Wounds- Post-Op Wound Aftercare and Skin/Non-Surgical Wound Care, Complex Nursing Interventions, Behavioral Health Care (including Substance Use Disorders), and Medication Management, Teaching and Assessment (MMTA);
- adjusting payment based on three levels of function;
- modifying payment based on whether the episode is considered "early" (the first 30-day payment period) or "late" (each subsequent 30-day payment period); and
- using Medicare cost reports to calculate the costs of providing care

ASHA actively engaged in the development of the PDGM including meetings with CMS staff, formal written comments, and participation in a technical expert panel held in February 2018.

Other changes included in the proposed rule are the annual updates to the payment rates and revisions to the home health quality reporting program (HH QRP).

ASHA is reviewing the provisions of the rule and intends to submit comments prior to the August 31 deadline. Any interested member of the public can comment on the rule by visiting www.regulations.gov. If you have questions about the proposed rule, please contact Sarah Warren, MA, director of health care policy for Medicare at swarren@asha.org.