CMS Takes Action to Modernize Medicare Home Health

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New Medicare rules for home health services intended to encourage innovation will be implemented in 2020. The Centers for Medicare & Medicaid Services (CMS) finalized new rules for the Home Health Prospective Payment System (HHPPS) to allow for increased utilization of developing technologies that can provide more efficient and cost-effective care, implementation of new patient-driven compensation models, and allow the expansion of home infusion therapy.

According to CMS Administrator Seema Verma:

"This home health final rule focuses on patient needs and not on the volume of care. This rule also innovates and modernizes home health care by allowing remote patient monitoring. We are also proud to offer new home infusion therapy services. Using new technology and reducing unnecessary reporting measures for certifying physicians will result in an annual cost savings and provide Home Health Agencies (HHAs) and doctors what they need to give patients a personalized treatment plan that will result in better health outcomes."

Beginning in 2020, CMS will implement a new case-mix system called the Patient-Driven Groupings Model (PDGM). As described by Administrator Verma, the intent of the PDGM is to put the focus on patient needs rather than volume of care by heavily relying on specific patient characteristics to ensure home health services are being appropriately and accurately compensated.

For the first time, CMS will allow the cost of remote patient monitoring to be included by HHAs as an allowable cost on their Medicare cost report forms. CMS intends for this to promote the adoption and use of remote patient monitoring and other emerging technologies that lead to more effective care planning and data sharing amongst patients, providers, and caregivers.

The final rule will implement temporary transitional payments for home infusion therapy for 2019 and 2020, before the implementation becomes permanent in 2021. Providers should be aware that the final rule also establishes health and safety standards and requirements in order for the home infusion therapy services to qualify for the payments.

To streamline the delivery and administration of home health services, CMS is revoking the requirement for a provider to estimate how long home health services are needed when recertifying the need for continued home health care. CMS estimates that this will result in a reduction of $14.2 million in annual administrative costs for providers, which should facilitate more time for patient care.

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