



2020-10-29



CMS Finalizes Calendar Year 2021 Payment and Policy Changes for Home Health Agencies – Fact Sheet

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Fact sheet

CMS Finalizes Calendar Year 2021 Payment and Policy Changes for Home Health Agencies and Calendar Year 2021 Home Infusion Therapy Benefit

Oct 29, 2020

Today, the Centers for Medicare & Medicaid Services (CMS) issued a final rule [CMS-1730-F] that finalizes routine updates to the home health payment rates for calendar year (CY) 2021, in accordance with existing statutory and regulatory requirements. This rule also finalizes the regulatory changes related to the use of telecommunications technology in providing care under the Medicare home health benefit.

This rule adopts the revised Office of Management and Budget (OMB) statistical area delineations as described in OMB Bulletin 18-04, and finalizes a 5 percent cap on wage index decreases in CY 2021. This rule also finalizes Medicare enrollment policies for qualified home infusion therapy suppliers, updates the home infusion therapy services payment rates for CY 2021, finalizes a policy excluding home infusion therapy services from home health services as required by law, and finalizes policies under the Home Health Value Based Purchasing Model published in the May 8, 2020 interim final rule with comment period, as required by law.

The final rule can be downloaded from the Federal Register at: <https://www.federalregister.gov/public-inspection/>.

Strengthening Medicare – Further Promoting Telecommunications Technology in Medicare

In an effort to promote efficiencies, this rule finalizes, beginning January 1, 2021, permanent changes to the home health regulations, as originally outlined in the March 2020 “Policy and Regulatory Revisions in Response to the COVID–19 Public Health Emergency” Interim Final Rule with Comment (85 FR 19230). Home health agencies (HHAs) can utilize telecommunications technologies in providing care to beneficiaries under the Medicare home health benefit, as long as any provision of remote patient monitoring or other services furnished via a telecommunications system or audio-only technology are included on the plan of care. The use of such telecommunications technology or audio-only technology must be tied to the patient-specific needs as identified in the comprehensive assessment. CMS will not require a description of how such technology will help to achieve the goals outlined on the plan of care; rather, documentation in the medical record should explain how such services will help facilitate treatment outcomes.

The use of technology may not substitute for an in-person home visit that is ordered on the plan of care and cannot be considered a visit for the purpose of patient eligibility or payment. However, the use of technology may result in efficiencies in the furnishing of home health care, which may result in changes to the frequencies and types of in-person visits as ordered on the plan of care. This rule also expands the definition of telecommunications technology, in addition to remote patient monitoring, that HHAs are allowed to report as allowable administrative costs on the HHA cost report. These finalized policies will ensure patient access to the latest technology and give HHAs predictability that they can continue to use telecommunications technology as part of patient care.

Updates to the Home Health Prospective Payment System rates for CY 2021

This rule finalizes routine, statutorily required updates to the home health payment rates for CY 2021. CMS estimates that Medicare payments to HHAs in CY 2021 will increase in the aggregate by 1.9 percent, or \$390 million, based on the finalized policies. This increase reflects the effects of the 2.0 percent home health payment update percentage (\$410 million increase) and a 0.1 percent decrease in payments due to reductions in the rural add-on percentages mandated by the Bipartisan Budget Act of 2018 for CY 2021 (\$20 million decrease). This rule also updates the home health wage index including the adoption of revised OMB statistical area delineations and limiting any decreases in a geographic area's wage index value to no more than 5 percent in CY 2021.

Updates to the Home Infusion Therapy Benefit for CY 2021

This rule implements Medicare enrollment policies for qualified home infusion therapy suppliers, updates the CY 2021 home infusion therapy services payment rates using the CY 2021 Physician Fee Schedule amounts, and excludes home infusion therapy services from home health services as required by law.

Home Health Value Based Purchasing Model

This rule finalizes, without modification, policies that appeared in the May 8, 2020 Federal Register (85 FR 27553), as required by law

For additional information about the Home Health Prospective Payment System, visit <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/index.html> and <https://www.cms.gov/center/provider-Type/home-Health-Agency-HHA-Center.html>.

For additional information about the Home Health Patient-Driven Groupings Model, visit <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/HH-PDGM.html>.

For additional information about the Home Infusion Therapy Services benefit, visit - <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Home-Infusion-Therapy/Overview.html>.