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SPECIAL EDITION

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CMS to Improve Home Health Services for Older Adults and People with Disabilities
Proposed rule would accelerate shift from volume-based incentives to quality-based incentives

CMS issued a proposed rule that accelerates the shift from paying for home health services based on volume, to a system that incentivizes value and quality. The rule also seeks feedback on ways to attain health equity for all patients through policy solutions, including enhancing reports on Medicare/Medicaid dual eligible, disability status, people who are LGBTQ+; religious minorities; people who live in rural areas; and people otherwise adversely affected by persistent poverty or inequality.

The CY 2022 Home Health Prospective Payment System (HH PPS) proposed rule addresses challenges facing Americans with Medicare who receive health care at home. The proposed rule also outlines nationwide expansion of the Home Health Value-Based Purchasing (HHVBP) Model to incentivize quality of care improvements without denying or limiting coverage or provision of Medicare benefits for all Medicare consumers, and updates to payment rates and policies under the HH PPS.

"Homebound Medicare patients face a unique set of challenges and barriers to getting the care they need," said CMS Administrator Chiquita Brooks-LaSure. "Today's announcement is a reaffirmation of our commitment to these older adults and people with disabilities who are counting on Medicare for the health care they need. This proposed rule would streamline service delivery and value quality over quantity – at a time when Americans need it most."

The CMS Innovation Center (CMMI) developed the HHVBP Model, which began January 1, 2016, to determine whether payment incentives for providing better quality of care with greater efficiency would improve the quality and delivery of home health care services to people with Medicare. The HHVBP Model's current participants comprise all Medicare-certified home health agencies (HHAs), providing services across nine randomly selected states. [The Third Annual Evaluation Report](#) of the participants' performance from 2016-2018 showed an average 4.6% improvement in HHAs' quality scores and an average annual savings of $141 million to Medicare.

[CMS announced January 8, 2021 that the HHVBP model](#) met the statutory requirements for expansion. CMS is proposing to expand the HHVBP Model nationwide effective January 1, 2022. By expanding the HHVBP Model, CMS seeks to improve the beneficiary experience by providing incentives for HHAs to provide better quality of care with greater efficiency.

Additionally, the proposed rule would improve the Home Health Quality Reporting Program by removing or replacing certain quality measures to reduce burden and increase focus on patient outcomes. CMS would also begin collecting data on two measures promoting coordination of care in the Home Health Quality Reporting Program effective January 1, 2023 as well as measures under Long Term Care Hospital and Inpatient Rehabilitation Quality Reporting Programs effective October 1, 2022. This would position the agency with data to monitor outcomes across diverse populations and support the recent Executive Order 13985 of January 20, 2021, entitled "Advancing Racial Equity and Support for Underserved Communities Through the Federal Government."

More Information:
- [Proposed rule](#)
- [Fact Sheet](#)