



## Summary of the Home Health Prospective Payment System Final Rule FY 2014

Medicare and Medicaid Programs; Home Health Prospective Payment System Rate Update for CY 2014, Home Health Quality Reporting Requirements, and Cost Allocation of Home Health Survey Expenses; Final Rule [*Federal Register* Volume 78, Number 231 ; Dec 2, 2013 : p . 72255-72320]

This final rule updated the Home Health Prospective Payment System (HH PPS) rates, including the national, standardized 60-day episode payment rates, the national per-visit rates, the low-utilization payment adjustment (LUPA) add-on, and the non-routine medical supply (NRS) conversion factor under the Medicare prospective payment system for home health agencies (HHAs), effective January 1, 2014. As required by the Affordable Care Act, the rule established rebasing adjustments, with a 4-year phase-in, to the national, standardized 60-day episode payment rates; the national per-visit rates; and the NRS conversion factor. In addition, the final rule removed 170 diagnosis codes from assignment to diagnosis groups within the HH PPS Grouper, effective January 1, 2014. Finally, the rule established home health quality reporting requirements for CY 2014 payment and subsequent years and clarified that a state Medicaid program must provide that, in certifying HHAs, the state's designated survey agency carry out certain other responsibilities that already apply to surveys of nursing facilities and Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF-IID), including sharing in the cost of HHA surveys. For that portion of costs attributable to Medicare and Medicaid, CMS assigned 50 percent to Medicare and 50 percent to Medicaid, the standard method that CMS and states use in the allocation of expenses related to surveys of nursing homes.

The following are excerpts relate to the removal of the 170 ICD-9-CM codes from the HH PPS Grouper, information regarding the transition of the HH PPS Grouper to ICD-10-CM, and the established home health quality reporting requirements for CY 2014 payment.

### **ICD-9-CM Grouper Refinements, Effective January 1, 2014**

Two categories of codes, made up of 170 ICD-9-CM diagnosis codes, will be deleted from assignment to diagnosis groups within the HH PPS Grouper, effective January 1, 2014. The first category (Category 1) includes ICD-9-CM codes that, based upon clinical judgment, were "too acute", meaning that this condition could not be appropriately cared for in a HH setting. These codes reflect conditions the patient had prior to the HH admission (for example, while being treated in a hospital setting). It is anticipated that the condition progressed to a less acute state, or is completely resolved for the patient to be cared for in the home setting (and that often times another diagnosis code will have been a more accurate reflection of the patient's condition in the home). The second category (Category 2) includes codes that, based upon clinical judgment, reflect a condition that does not require HH intervention, would not impact the HH plan of care (POC), or would not result in additional resource use when providing HH services to the patient. Table 2 includes all 170 ICD-9-CM diagnosis codes that will be removed from assignment to one of the diagnosis groups within the HH PPS Grouper, effective January 1, 2014, along with the category classification.



**ICD-9-CM Codes Removed from Diagnosis Group Assignment in the HH PPS Grouper  
Effective January 1, 2014**

<b>ICD-9-CM Code</b>	<b>Description</b>	<b>Category</b>	<b>HH PPS Clinical Dimension Dx Group</b>
003.1	Salmonella septicemia	1	07
250.20	Diabetes with hyperosmolarity, type II or unspecified type, not stated as uncontrolled	1	04
250.21	Diabetes with hyperosmolarity, type I [juvenile type], not stated as uncontrolled	1	04
250.22	Diabetes with hyperosmolarity, type II or unspecified type, uncontrolled	1	04
250.23	Diabetes with hyperosmolarity, type I [juvenile type], uncontrolled	1	04
250.30	Diabetes with other coma, type II or unspecified type, not stated as uncontrolled	1	04
250.31	Diabetes with other coma, type I [juvenile type], not stated as uncontrolled	1	04
250.32	Diabetes with other coma, type II or unspecified type, uncontrolled	1	04
250.33	Diabetes with other coma, type I [juvenile type], uncontrolled	1	04
282.42	Sickle-cell thalassemia with crisis	1	02
282.5	Sickle-cell trait	2	02
282.62	Hb-SS disease with crisis	1	02
282.64	Sickle-cell/Hb-C disease with crisis	1	02
282.69	Other sickle-cell disease with crisis	1	02
285.1	Acute posthemorrhagic anemia	1	02
289.52	Splenic sequestration	1	02
333.81	Blepharospasm	2	11
333.84	Organic writers' cramp	2	11
333.93	Benign shuddering attacks	2	11
333.94	Restless legs syndrome	2	11
348.5	Cerebral edema	1	10
401.0	Malignant essential hypertension	1	09
414.12	Dissection of coronary artery	1	08
447.2	Rupture of artery	1	20
493.21	Chronic obstructive asthma with status asthmaticus	1	18
530.21	Ulcer of esophagus with bleeding	1	07
530.4	Perforation of esophagus	1	07
530.7	Gastroesophageal laceration-hemorrhage syndrome	1	07
530.81	Esophageal reflux	2	07
530.82	Esophageal hemorrhage	1	07
531.00	Acute gastric ulcer with hemorrhage, without mention of obstruction	1	07
531.01	Acute gastric ulcer with hemorrhage, with obstruction	1	07
531.10	Acute gastric ulcer with perforation, without mention of obstruction	1	07



531.11	Acute gastric ulcer with perforation, with obstruction	1	07
531.20	Acute gastric ulcer with hemorrhage and perforation, without mention of obstruction	1	07
531.21	Acute gastric ulcer with hemorrhage and perforation, with obstruction	1	07
531.31	Acute gastric ulcer without mention of hemorrhage or perforation, with obstruction	1	07
531.40	Chronic or unspecified gastric ulcer with hemorrhage, without mention of obstruction	1	07
531.41	Chronic or unspecified gastric ulcer with hemorrhage, with obstruction	1	07
531.50	Chronic or unspecified gastric ulcer with perforation, without mention of obstruction	1	07
531.51	Chronic or unspecified gastric ulcer with perforation, with obstruction	1	07
531.60	Chronic or unspecified gastric ulcer with hemorrhage and perforation, without mention of obstruction	1	07
531.61	Chronic or unspecified gastric ulcer with hemorrhage and perforation, with obstruction	1	07
531.71	Chronic gastric ulcer without mention of hemorrhage or perforation, with obstruction	1	07
531.91	Gastric ulcer, unspecified as acute or chronic, without mention of hemorrhage or perforation, with obstruction	1	07
532.00	Acute duodenal ulcer with hemorrhage, without mention of obstruction	1	07
532.01	Acute duodenal ulcer with hemorrhage, with obstruction	1	07
532.10	Acute duodenal ulcer with perforation, without mention of obstruction	1	07
532.11	Acute duodenal ulcer with perforation, with obstruction	1	07
532.20	Acute duodenal ulcer with hemorrhage and perforation, without mention of obstruction	1	07
532.21	Acute duodenal ulcer with hemorrhage and perforation, with obstruction	1	07
532.31	Acute duodenal ulcer without mention of hemorrhage or perforation, with obstruction	1	07
532.40	Chronic or unspecified duodenal ulcer with hemorrhage, without mention of obstruction	1	07
532.41	Chronic or unspecified duodenal ulcer with hemorrhage, with obstruction	1	07
532.50	Chronic or unspecified duodenal ulcer with perforation, without mention of obstruction	1	07
532.51	Chronic or unspecified duodenal ulcer with perforation, with obstruction	1	07
532.60	Chronic or unspecified duodenal ulcer with hemorrhage and perforation, without mention of obstruction	1	07
532.61	Chronic or unspecified duodenal ulcer with hemorrhage and perforation, with obstruction	1	07

532.71	Chronic duodenal ulcer without mention of hemorrhage or perforation, with obstruction	1	07
532.91	Duodenal ulcer, unspecified as acute or chronic, without mention of hemorrhage or perforation, with obstruction	1	07
533.00	Acute peptic ulcer of unspecified site with hemorrhage, without mention of obstruction	1	07
533.01	Acute peptic ulcer of unspecified site with hemorrhage, with obstruction	1	07
533.10	Acute peptic ulcer of unspecified site with perforation, without mention of obstruction	1	07
533.11	Acute peptic ulcer of unspecified site with perforation, with obstruction	1	07
533.20	Acute peptic ulcer of unspecified site with hemorrhage and perforation, without mention of obstruction	1	07
533.21	Acute peptic ulcer of unspecified site with hemorrhage and perforation, with obstruction	1	07
533.31	Acute peptic ulcer of unspecified site without mention of hemorrhage and perforation, with obstruction	1	07
533.40	Chronic or unspecified peptic ulcer of unspecified site with hemorrhage, without mention of obstruction	1	07
533.41	Chronic or unspecified peptic ulcer of unspecified site with hemorrhage, with obstruction	1	07
533.50	Chronic or unspecified peptic ulcer of unspecified site with perforation, without mention of obstruction	1	07
533.51	Chronic or unspecified peptic ulcer of unspecified site with perforation, with obstruction	1	07
533.60	Chronic or unspecified peptic ulcer of unspecified site with hemorrhage and perforation, without mention of obstruction	1	07
533.61	Chronic or unspecified peptic ulcer of unspecified site with hemorrhage and perforation, with obstruction	1	07
533.71	Chronic peptic ulcer of unspecified site without mention of hemorrhage or perforation, with obstruction	1	07
533.91	Peptic ulcer of unspecified site, unspecified as acute or chronic, without mention of hemorrhage or perforation, with obstruction	1	07
534.00	Acute gastrojejunal ulcer with hemorrhage, without mention of obstruction	1	07
534.01	Acute gastrojejunal ulcer, with hemorrhage, with obstruction	1	07
534.10	Acute gastrojejunal ulcer with perforation, without mention of obstruction	1	07
534.11	Acute gastrojejunal ulcer with perforation, with obstruction	1	07
534.20	Acute gastrojejunal ulcer with hemorrhage and perforation, without mention of obstruction	1	07
534.21	Acute gastrojejunal ulcer with hemorrhage and perforation, with obstruction	1	07

534.31	Acute gastrojejunal ulcer without mention of hemorrhage or perforation, with obstruction	1	07
534.40	Chronic or unspecified gastrojejunal ulcer with hemorrhage, without mention of obstruction	1	07
534.41	Chronic or unspecified gastrojejunal ulcer, with hemorrhage, with obstruction	1	07
534.50	Chronic or unspecified gastrojejunal ulcer with perforation, without mention of obstruction	1	07
534.51	Chronic or unspecified gastrojejunal ulcer with perforation, with obstruction	1	07
534.60	Chronic or unspecified gastrojejunal ulcer with hemorrhage and perforation, without mention of obstruction	1	07
534.61	Chronic or unspecified gastrojejunal ulcer with hemorrhage and perforation, with obstruction	1	07
534.71	Chronic gastrojejunal ulcer without mention of hemorrhage or perforation, with obstruction	1	07
534.91	Gastrojejunal ulcer, unspecified as acute or chronic, without mention of hemorrhage or perforation, with obstruction	1	07
535.01	Acute gastritis, with hemorrhage	1	07
535.11	Atrophic gastritis, with hemorrhage	1	07
535.21	Gastric mucosal hypertrophy, with hemorrhage	1	07
535.31	Alcoholic gastritis, with hemorrhage	1	07
535.41	Other specified gastritis, with hemorrhage	1	07
535.51	Unspecified gastritis and gastroduodenitis, with hemorrhage	1	07
535.61	Duodenitis, with hemorrhage	1	07
535.71	Eosinophilic gastritis, with hemorrhage	1	07
536.1	Acute dilatation of stomach	1	07
537.3	Other obstruction of duodenum	1	07
537.4	Fistula of stomach or duodenum	1	07
537.6	Hourglass stricture or stenosis of stomach	1	07
537.83	Angiodysplasia of stomach and duodenum with hemorrhage	1	07
537.84	Dieulafoy lesion (hemorrhagic) of stomach and duodenum	1	07
540.0	Acute appendicitis with generalized peritonitis	1	07
540.1	Acute appendicitis with peritoneal abscess	1	07
540.9	Acute appendicitis without mention of peritonitis	1	07
541	Appendicitis, unqualified	1	07
542	Other appendicitis	1	07
543.0	Hyperplasia of appendix (lymphoid)	1	07
557.0	Acute vascular insufficiency of intestine	1	07
560.0	Intussusception	1	07
560.1	Paralytic ileus	1	07
560.2	Volvulus	1	07
560.81	Intestinal or peritoneal adhesions with obstruction (postoperative)(postinfection)	1	07



560.89	Other specified intestinal obstruction	1	07
560.9	Unspecified intestinal obstruction	1	07
562.02	Diverticulosis of small intestine with hemorrhage	1	07
562.03	Diverticulitis of small intestine with hemorrhage	1	07
562.12	Diverticulosis of colon with hemorrhage	1	07
562.13	Diverticulitis of colon with hemorrhage	1	07
567.0	Peritonitis in infectious diseases classified elsewhere	1	07
567.1	Pneumococcal peritonitis	1	07
567.21	Peritonitis (acute) generalized	1	07
567.22	Peritoneal abscess	1	07
567.23	Spontaneous bacterial peritonitis	1	07
567.29	Other suppurative peritonitis	1	07
567.31	Psoas muscle abscess	1	07
567.38	Other retroperitoneal abscess	1	07
567.81	Choleperitonitis	1	07
567.82	Sclerosing mesenteritis	1	07
567.89	Other specified peritonitis	1	07
567.9	Unspecified peritonitis	1	07
568.81	Hemoperitoneum (nontraumatic)	1	07
569.3	Hemorrhage of rectum and anus	1	07
569.43	Anal sphincter tear-old	2	07
569.83	Perforation of intestine	1	07
569.85	Angiodysplasia of intestine with hemorrhage	1	07
569.86	Dieulafoy lesion (hemorrhagic) of intestine	1	07
572.0	Abscess of liver	1	07
572.1	Portal pyemia	1	07
574.00	Calculus of gallbladder with acute cholecystitis, without mention of obstruction	1	07
574.01	Calculus of gallbladder with acute cholecystitis, with obstruction	1	07
574.10	Calculus of gallbladder with other cholecystitis, without mention of obstruction	1	07
574.11	Calculus of gallbladder with other cholecystitis, with obstruction	1	07
574.21	Calculus of gallbladder without mention of cholecystitis, with obstruction	1	07
574.30	Calculus of bile duct with acute cholecystitis, without mention of obstruction	1	07
574.31	Calculus of bile duct with acute cholecystitis, with obstruction	1	07
574.41	Calculus of bile duct with other cholecystitis, with obstruction	1	07
574.51	Calculus of bile duct without mention of cholecystitis, with obstruction	1	07
574.60	Calculus of gallbladder and bile duct with acute cholecystitis, without mention of obstruction	1	07
574.61	Calculus of gallbladder and bile duct with acute cholecystitis, with obstruction	1	07



574.71	Calculus of gallbladder and bile duct with other cholecystitis, with obstruction	1	07
574.80	Calculus of gallbladder and bile duct with acute and chronic cholecystitis, without mention of obstruction	1	07
574.81	Calculus of gallbladder and bile duct with acute and chronic cholecystitis, with obstruction	1	07
574.91	Calculus of gallbladder and bile duct without cholecystitis, with obstruction	1	07
575.0	Acute cholecystitis	1	07
575.2	Obstruction of gallbladder	1	07
575.3	Hydrops of gallbladder	1	07
575.4	Perforation of gallbladder	1	07
576.1	Cholangitis	1	07
576.2	Obstruction of bile duct	1	07
576.3	Perforation of bile duct	1	07
577.0	Acute pancreatitis	1	07
578.0	Hematemesis	1	07
578.9	Hemorrhage of gastrointestinal tract, unspecified	1	07
873.63	Broken tooth, uncomplicated	2	19
998.11	Hemorrhage complicating a procedure	1	19
998.12	Hematoma complicating a procedure	1	19
998.2	Accidental puncture or laceration during a procedure, not elsewhere classified	1	19
HH PPS Clinical Dimension Groups: 02-Blood Disorders 04-Diabetes 07-Gastrointestinal Disorders 08-Heart Disease 09-Hypertension 10-Neuro 1-Brain Disorders and Paralysis 11-Neuro 2- Peripheral Neurological Disorders 18-Pulmonary Disorders 19-Skin 1- Traumatic Wounds, Burns, Postoperative Complications 20-Skin 2- Ulcers and Other Skin Conditions			

**International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) Conversion and Diagnosis Reporting on Home Health Claims**

October 1, 2014, CMS will implement the use of ICD-10-CM codes within the HH PPS Grouper. To ensure additional compliance with ICD-10-CM Coding Guidelines, CMS will be adopting additional claims processing edits for all HH claims effective October 1, 2014. The HH claims containing inappropriate principal or secondary diagnosis codes will be returned to the provider and will have to be corrected and resubmitted to be processed and paid. CMS has provided the industry with a link to the CMS Web site that contains the draft HH PPS Grouper ICD-10-CM translation list along with a proposed schedule for releasing the draft and final ICD-10-CM HH PPS Groupers.



<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/Home-Health-Prospective-Payment-System-Regulations-and-Notices-Items/CMS-1450-P.html?DLPage=1&DLSort=2&DLSortDir=descending>

**Home Health Quality Reporting Program (HHQRP)**

CMS has reduced the total number of measures on the CASPER reports by eliminating the stratification by episode length of the 9 currently stratified process measures: 1.) Depression Interventions, 2.) Diabetic Foot Care and Patient/Caregiver Education, 3.) Heart Failure Symptoms, 4.) Pain Interventions, 5.) Treatment of Pressure Ulcers Based on Principles of Moist Wound Healing, 6.) Pressure Ulcer Prevention 7.) Drug Education on All Medications Provided to Patient/Caregiver 8.) Potential Medication Issues Identified Timely Physician Contact 9.) Falls Prevention Steps. By removing the "short term" and "long term episodes of care" measures these measures will only reported for "all-episodes" of care.

CMS also adopted two claims-based measures: (1) Re-hospitalization during the first 30 days of HH; and (2) Emergency Department Use without Hospital Readmission during the first 30 days of HH, with reporting feedback to HHAs on performance on these measures to begin in CY 2014.