the Medicare program and test innovative payment and service delivery models to improve coordination, quality, and efficiency of health care services furnished under Title XVIII.

§ 484.305 Definitions.

As used in this subpart—

Applicable measure means a measure for which a competing HHA has provided a minimum of—

(1) Twenty home health episodes of care per year for the OASIS-based measures;

(2) Twenty home health episodes of care per year for the claims-based measures; or

(3) Forty completed surveys for the HHCAHPS measures.

Applicable percent means a maximum upward or downward adjustment for a given performance year, not to exceed the following:

(1) For CY 2018, 3-percent.

(2) For CY 2019, 5-percent.

(3) For CY 2020, 6-percent.

(4) For CY 2021, 7-percent.

(5) For CY 2022, 8-percent.

Benchmark refers to the mean of the top decile of Medicare-certified HHA performance on the specified quality measure during the baseline period, calculated for each state.

Competing home health agency or agencies means an agency or agencies:

(1) That has or have a current Medicare certification; and,

(2) Is or are being paid by CMS for home health care delivered within any of the states specified in § 484.310.

Home health prospective payment system (HH PPS) refers to the basis of payment for home health agencies as set forth in §§ 484.200 through 484.245.

Larger-volume cohort means the group of competing home health agencies within the boundaries of selected states that are participating in HHCAHPs in accordance with § 484.250.

Linear exchange function is the means to translate a competing HHA's Total Performance Score into a value-based payment adjustment percentage.

New measures means those measures to be reported by competing HHAs under the HHVBP Model that are not otherwise reported by Medicare-certified HHAs to CMS and were identified to fill gaps to cover National Quality Strategy Domains not completely covered by existing measures in the home health setting.

Payment adjustment means the amount by which a competing HHA's final claim payment amount under the HH PPS is changed in accordance with the methodology described in § 484.325.

Performance period means the time period during which data are collected for the purpose of calculating a competing HHA's performance on measures.

Selected state(s) means those nine states that were randomly selected to compete/participate in the HHVBP Model via a computer algorithm designed for random selection and identified at § 484.310(b).

Smaller-volume cohort means the group of competing home health agencies within the boundaries of selected states that are exempt from participation in HHCAHPs in accordance with § 484.250.

Total Performance Score means the numeric score ranging from 0 to 100 awarded to each competing HHA based on its performance under the HHVBP Model.

Value-based purchasing means measuring, reporting, and rewarding excellence in health care delivery that takes into consideration quality, efficiency, and alignment of incentives. Effective health care services and high performing health care providers may be rewarded with improved reputations through public reporting, enhanced payments through differential reimbursements, and increased market share through purchaser, payer, and/or consumer selection.

[80 FR 68718, Nov. 5, 2015, as amended at 81 FR 76796, Nov. 3, 2016; 82 FR 51752, Nov. 7, 2017]

§ 484.310 Applicability of the Home Health Value-Based Purchasing (HHVBP) Model.

(a) *General rule.* The HHVBP Model applies to all Medicare-certified home health agencies (HHAs) in selected states.

(b) *Selected states.* Nine states have been selected in accordance with CMS's selection methodology. All Medicare-certified HHAs that provide services in

Massachusetts, Maryland, North Carolina, Florida, Washington, Arizona, Iowa, Nebraska, and Tennessee will be required to compete in this model.

§ 484.315 Data reporting for measures and evaluation and the public reporting of model data under the Home Health Value-Based Purchasing (HHVBP) Model.

(a) Competing home health agencies will be evaluated using a set of quality measures.

(b) Competing home health agencies in selected states will be required to report information on New Measures, as determined appropriate by the Secretary, to CMS in the form, manner, and at a time specified by the Secretary, and subject to any exceptions or extensions CMS may grant to home health agencies for the Public Health Emergency as defined in § 400.200 of this chapter.

(c) Competing home health agencies in selected states will be required to collect and report such information as the Secretary determines is necessary for purposes of monitoring and evaluating the HHVBP Model under section 1115A(b)(4) of the Act (42 U.S.C. 1315a).

(d) For performance year 5, CMS publicly reports the following for each competing home health agency on the CMS website:

(1) The Total Performance Score.

(2) The percentile ranking of the Total Performance Score.

[80 FR 68718, Nov. 5, 2015, as amended at 81 FR 76796, Nov. 3, 2016; 84 FR 60646, Nov. 8, 2019; 85 FR 27628, May 8, 2020]

§ 484.320 Calculation of the Total Performance Score.

A competing home health agency's Total Performance Score for a model year is calculated as follows:

(a) CMS will award points to the competing home health agency for performance on each of the applicable measures excluding the New Measures.

(b) CMS will award points to the competing home health agency for reporting on each of the New Measures worth up to ten percent of the Total Performance Score.

(c)(1) For performance years 1 through 3, CMS will sum all points awarded for each applicable measure excluding the New Measures, weighted equally at the individual measure level to calculate a value worth 90 percent of the Total Performance Score.

(2) For performance years 4 and 5, CMS will sum all points awarded for each applicable measure within each category of measures (OASIS-based, claims-based and HHCAHPS) excluding the New Measures, weighted at 35 percent for the OASIS-based measure category, 35 percent for the claims-based measure category, and 30 percent for the HHCAHPS measure category when all three measure categories are reported, to calculate a value worth 90 percent of the Total Performance Score.

(d) The sum of the points awarded to a competing HHA for each applicable measure and the points awarded to a competing HHA for reporting data on each New Measure is the competing HHA's Total Performance Score for the calendar year.

[80 FR 68718, Nov. 5, 2015, as amended at 81 FR 76796, Nov. 3, 2016; 83 FR 56630, Nov. 13, 2018]

§ 484.325 Payments for home health services under Home Health Value-Based Purchasing (HHVBP) Model.

CMS will determine a payment adjustment up to the maximum applicable percentage, upward or downward, under the HHVBP Model for each competing home health agency based on the agency's Total Performance Score using a linear exchange function. Payment adjustments made under the HHVBP Model will be calculated as a percentage of otherwise-applicable payments for home health services provided under section 1895 of the Act (42 U.S.C. 1395fff).

§ 484.330 Process for determining and applying the value-based payment adjustment under the Home Health Value-Based Purchasing (HHVBP) Model.

(a) *General.* Competing home health agencies will be ranked within the larger-volume and smaller-volume cohorts in selected states based on the performance standards that apply to the HHVBP Model for the baseline year, and CMS will make value-based