

115TH CONGRESS
1ST SESSION

H. R. 3992

To amend title XVIII of the Social Security Act to delay application of, transition to, and limit savings for the home health groupings model under the Medicare home health prospective payment system, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 2017

Mrs. NOEM introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to delay application of, transition to, and limit savings for the home health groupings model under the Medicare home health prospective payment system, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Home Health
5 Extension and Regulatory Relief Act”.

1 **SEC. 2. DELAYING APPLICATION OF, TRANSITIONING TO,**
 2 **AND LIMITING SAVINGS FOR HOME HEALTH**
 3 **GROUPINGS MODEL UNDER MEDICARE HOME**
 4 **HEALTH PROSPECTIVE PAYMENT SYSTEM;**
 5 **HOME HEALTH RURAL ADD-ON.**

6 (a) DELAYED IMPLEMENTATION OF HOME HEALTH
 7 GROUPINGS MODEL WITH LIMIT ON SAVINGS AND WITH
 8 TRANSITION.—

9 (1) IN GENERAL.—Section 1895(b) of the So-
 10 cial Security Act (42 U.S.C. 1395fff(b)) is amended
 11 by inserting at the end the following new paragraph:

12 “(7) IMPLEMENTATION OF HOME HEALTH
 13 GROUPINGS MODEL.—

14 “(A) USE OF HOME HEALTH GROUPINGS
 15 MODEL WITH DELAYED IMPLEMENTATION.—

16 For purposes of calculating standard prospec-
 17 tive payment amounts under the prospective
 18 payment system under this subsection with re-
 19 spect to home health units of service furnished
 20 on or after January 1, 2020, and subject to the
 21 succeeding subparagraphs of this paragraph,
 22 the Secretary shall apply the home health
 23 groupings model including use of a 30-day unit
 24 of payment, as described in the proposed rule
 25 entitled ‘Medicare and Medicaid Programs; CY
 26 2018 Home Health Prospective Payment Sys-

1 tem Rate Update and Proposed CY 2019 Case-
2 Mix Adjustment Methodology Refinements;
3 Home Health Value-Based Purchasing Model;
4 and Home Health Quality Reporting Require-
5 ments’ (82 Fed. Reg. 35294 through 35332
6 (July 28, 2017) (herein referred to as ‘the 2018
7 Home Health Proposed Rule’)) and as such
8 model may subsequently be revised through no-
9 tice and comment rulemaking.

10 “(B) CALCULATION OF BUDGET NEUTRAL
11 PAYMENT AMOUNTS.—

12 “(i) IN GENERAL.—The Secretary
13 shall, subject to subparagraph (F), cal-
14 culate payment amounts under this sub-
15 section with respect to home health 30-day
16 periods of care furnished in 2020 in a
17 manner such that the estimated aggregate
18 amount of expenditures under the prospec-
19 tive payment system under this subsection
20 with application of this paragraph is equal
21 to the estimated aggregate amount of ex-
22 penditures under this subsection without
23 application of this paragraph.

24 “(ii) EXCLUSION OF ADJUSTMENTS
25 FROM CALCULATION.—Adjustments under

1 paragraph (3) (including adjustments for
2 case mix changes under clause (iv) of such
3 paragraph) and paragraph (5) and sub-
4 paragraphs (E) and (F) shall not be in-
5 cluded in the calculation under clause (i).

6 “(C) LIMITING SAVINGS COMPARED TO
7 THE 2018 HOME HEALTH PROPOSED RULE.—In
8 order to reduce the aggregate amount of sav-
9 ings under the home health groupings model
10 compared to the estimated impacts in the 2018
11 Home Health Proposed Rule, after calculating
12 amounts in subparagraph (B), the Secretary
13 shall reduce such 2020 amounts by 3.7 percent.

14 “(D) STANDARD PROSPECTIVE PAYMENT
15 AMOUNTS FOR 2020 AND SUBSEQUENT YEARS.—

16 “(i) STANDARD PROSPECTIVE PAY-
17 MENT AMOUNTS.—The standard prospec-
18 tive payment amounts for home health 30-
19 day periods of care beginning with 2020
20 shall be the amounts reduced in subpara-
21 graph (C) subject to clauses (iv) and (v) of
22 subparagraph (F).

23 “(ii) APPLICATION OF ADJUST-
24 MENTS.—Adjustments described in sub-
25 paragraph (B)(ii) (other than the adjust-

1 ment described in subparagraph (E)) shall
2 be applied to such standard prospective
3 payment amounts.

4 “(E) TRANSITIONAL ADJUSTMENTS TO
5 HOME HEALTH GROUPINGS MODEL.—In order
6 to provide for a transition to the home health
7 groupings model, the Secretary shall, after ap-
8 plication of adjustments described in subpara-
9 graph (D)(ii), increase payment amounts under
10 clause (iii) as follows:

11 “(i) For 2020, the increase shall be
12 1.5 percent.

13 “(ii) For 2021, the increase shall be
14 1.0 percent.

15 “(iii) For 2022, the increase shall be
16 0.5 percent.

17 “(F) PROVIDER BEHAVIOR ASSUMPTIONS
18 AND RECONCILIATION.—

19 “(i) ASSUMPTIONS.—In calculating
20 amounts under subparagraph (B)(i), the
21 Secretary shall make assumptions about
22 provider behavioral change that could
23 occur as a result of implementation of the
24 home health groupings model such as for

1 changes in the number of service units and
2 changes in diagnosis codes billed.

3 “(ii) DESCRIPTION OF ASSUMP-
4 TIONS.—The Secretary shall provide a de-
5 scription of the assumptions made under
6 clause (i) in the notice and comment rule-
7 making used to implement this paragraph.

8 “(iii) RECONCILIATION.—Not later
9 than 2025, and in subsequent years as ap-
10 propriate, the Secretary shall determine
11 the impact of differences between actual
12 and assumed behavior on estimated aggre-
13 gate expenditures under this subsection.

14 “(iv) PERMANENT ADJUSTMENTS.—
15 The Secretary shall, at a time and in a
16 manner determined appropriate, provide
17 for one or more permanent increases or de-
18 creases to the standard prospective pay-
19 ment amounts for applicable years, on a
20 prospective basis, to account for the deter-
21 mination under clause (iii).

22 “(v) TEMPORARY ADJUSTMENTS FOR
23 RETROSPECTIVE BEHAVIOR.—The Sec-
24 retary shall, at a time and in a manner de-
25 termined appropriate, provide for one or

more temporary increases or decreases to the standard prospective payment amounts for applicable years, on a prospective basis, to account for the determination under clause (iii) with respect to years before the adjustment in clause (iv).

“(vi) OTHER BEHAVIOR.—The Secretary shall, at a time and in a manner determined appropriate, apply permanent and temporary adjustments to adjust for increases in estimated aggregate expenditures as a result of behavior responses not described in clause (ii).

“(G) CONTINUED APPLICATION OF PROVISIONS.—Except as described in this paragraph, the provisions of this section shall continue to apply.”.

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 1895(b) of the Social Security Act (42 U.S.C. 1395fff(b)(2)) is amended by striking “In” and inserting “Subject to paragraph (7)(A), in”.

(b) EXTENSION OF HOME HEALTH RURAL ADD-ON.—Section 421 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2283), as amended by section 5201(b)

1 of the Deficit Reduction Act of 2005 (Public Law 109–
2 171; 120 Stat. 46), section 3131(c) of the Patient Protec-
3 tion and Affordable Care Act (Public Law 111–148; 124
4 Stat. 428), and section 210 of the Medicare Access and
5 CHIP Reauthorization Act of 2015 (Public Law 114–10;
6 129 Stat. 87), is amended by striking “January 1, 2018”
7 each place it appears and inserting “January 1, 2023”.

8 (c) REPORTS.—

9 (1) INTERIM REPORT.—Not later than March
10 15, 2022, the Medicare Payment Advisory Commis-
11 sion shall submit to Congress an interim report on
12 the modifications made by section 1895(b)(7) of the
13 Social Security Act (42 U.S.C. 1395fff(b)(7)), as
14 added by subsection (a), and any unintended con-
15 sequences including—

16 (A) behavioral changes that may occur due
17 to lower reimbursement for Medication Manage-
18 ment, Training and Assessment;

19 (B) behavioral changes that may occur due
20 to higher reimbursement following hospitaliza-
21 tions;

22 (C) use of statistically derived, versus ac-
23 tual, payment weights;

24 (D) questionable encounters;

1 (E) use of both primary and secondary di-
2 agnosis codes for episode assignment; and

3 (F) reducing reimbursement of behavioral
4 health episodes, compared to the Home Health
5 Resource Group model.

6 (2) FINAL REPORT.—Not later than March 15,
7 2026, MedPAC, the Medicare Payment Advisory
8 Commission shall submit to Congress a final report
9 on such modifications and any such consequences.

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