HHA Improper Payment Risks

HHAs are reimbursed through the Medicare HHS prospective payment system (PPS), which underwent revision in 2020.

HHAs can be at risk for improper Medicare payments due to coding errors or unnecessary admissions.

HHA PEPPER target areas were identified based on a review of the HHA PPS, coordination with CMS subject matter experts, and analysis of national claims data.

Patient-Driven Grouping Model (PDGM)

- Went into effect Jan. 1, 2020, replacing the Home Health Resource Groups (HHRG) system

- PEPPER with statistics for CY2020 (estimated release July 2021) will reflect PDGM statistics

- https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/HH-PDGM.html

- Will impact HHA PEPPER:
  – Three new target areas planned
  – Revise several existing target areas
  – Retire "High Therapy Utilization Episodes"
  – Revise supplemental reports

PEPPER Target Areas

- Areas identified as potentially at risk for improper Medicare payments (e.g., coding or billing errors, unnecessary services).

- Calculated using a numerator and a denominator.

- Reported as either a:
  – Percent
  – Rate

HHA PEPPER Target Areas

Target Area	Target Area Definition
Average Case Mix	Numerator (N): sum of case mix weight for all episodes paid to the HHA during the report period, excluding LUPAs (identified by Part A NCH HHA LUPA code) and PEPs (identified as patient discharge status code equal to '06') Denominator (D): count of episodes paid to the HHA during the report period, excluding LUPAs and PEPs Note: reported as a rate, not a percent
Average Number of Episodes	N: count of episodes paid to the HHA D: count of unique beneficiaries served by the HHA Note: reported as a rate, not a percent

HHA PEPPER Target Areas, 2

Target Area	Target Area Definition
Episodes with 5 or 6 Visits	N: count of episodes with 5 or 6 visits paid to the HHA D: count of episodes paid to the HHA
Non-LUPA Payments	N: count of episodes paid to the HHA that did not have a LUPA payment D: count of episodes paid to the HHA
High Therapy Utilization Episodes	N: count of episodes with 20+ therapy visits paid to the HHA (first digit of HHRG equal to '5') D: count of episodes paid to the HHA
Outlier Payments	N: dollar amount of outlier payments (identified by the amount where Value Code equal to '17') for episodes paid to the HHA D: dollar amount of total payments for episodes paid to the HHA

New HHA PEPPER Target Areas, CY20

Target Area	Target Area Definition
High Comorbidity	N: count of periods with two or more secondary diagnoses that interact with one another and, therefore, qualify for a high comorbidity adjustment D: count of all periods
Low Comorbidity	N: count of periods with one or more secondary diagnoses that are associated with higher resource use and, therefore, qualify for a low comorbidity adjustment D: count of all periods
Admission Source	N: count of periods with discharge from short-term acute care hospitals, long-term acute care hospitals, critical access hospitals, IRFs, IPFs, or SNFs in the 14 days prior to the home health admission D: count of all periods