

TABLE 3: CY 2019 CASE-MIX ADJUSTMENT VARIABLES AND SCORES

	Episode number within sequence of adjacent episodes	1 or 2	1 or 2	3+	3+
	Therapy visits	0-13	14+	0-13	14+
	EQUATION:	1	2	3	4
<i>CLINICAL DIMENSION</i>					
1	Primary or Other Diagnosis = Blindness/Low Vision	.	.	.	.
2	Primary or Other Diagnosis = Blood disorders	.	2	.	.
3	Primary or Other Diagnosis = Cancer, selected benign neoplasms	.	4	.	4
4	Primary Diagnosis = Diabetes	.	3	.	3
5	Other Diagnosis = Diabetes	1	.	.	.
6	Primary or Other Diagnosis = Dysphagia AND Primary or Other Diagnosis = Neuro 3 – Stroke	2	14	.	10
7	Primary or Other Diagnosis = Dysphagia AND M1030 (Therapy at home) = 3 (Enteral)	.	5	.	5
8	Primary or Other Diagnosis = Gastrointestinal disorders	.	1	.	2
9	Primary or Other Diagnosis = Gastrointestinal disorders AND M1630 (ostomy)= 1 or 2	.	5	.	.
10	Primary or Other Diagnosis = Gastrointestinal disorders AND Primary or Other Diagnosis = Neuro 1 - Brain disorders and paralysis, OR Neuro 2 - Peripheral neurological disorders, OR Neuro 3 - Stroke, OR Neuro 4 - Multiple Sclerosis	.	.	.	.
11	Primary or Other Diagnosis = Heart Disease OR Hypertension	2	3	.	3
12	Primary Diagnosis = Neuro 1 - Brain disorders and paralysis	2	7	4	7
13	Primary or Other Diagnosis = Neuro 1 - Brain disorders and paralysis AND M1840 (Toilet transfer) = 2 or more	.	2	.	.
14	Primary or Other Diagnosis = Neuro 1 - Brain disorders and paralysis OR Neuro 2 - Peripheral neurological disorders AND M1810 or M1820 (Dressing upper or lower body)= 1, 2, or 3	3	4	1	3
15	Primary or Other Diagnosis = Neuro 3 - Stroke	3	6	2	.
16	Primary or Other Diagnosis = Neuro 3 - Stroke AND M1810 or M1820 (Dressing upper or lower body)= 1, 2, or 3	.	4	.	4
17	Primary or Other Diagnosis = Neuro 3 - Stroke AND M1860 (Ambulation) = 4 or more	.	.	.	.
18	Primary or Other Diagnosis = Neuro 4 - Multiple Sclerosis AND AT LEAST ONE OF THE FOLLOWING: M1830 (Bathing) = 2 or more OR M1840 (Toilet transfer) = 2 or more OR M1850 (Transferring) = 2 or more OR M1860 (Ambulation) = 4 or more	2	6	3	8

19	Primary or Other Diagnosis = Ortho 1 - Leg Disorders or Gait Disorders AND M1324 (most problematic pressure ulcer stage)= 1, 2, 3 or 4	7	2	7	.
20	Primary or Other Diagnosis = Ortho 1 - Leg OR Ortho 2 - Other orthopedic disorders AND M1030 (Therapy at home) = 1 (IV/Infusion) or 2 (Parenteral)	1	2	3	.
21	Primary or Other Diagnosis = Psych 1 – Affective and other psychoses, depression	.	.	.	.
22	Primary or Other Diagnosis = Psych 2 - Degenerative and other organic psychiatric disorders	.	.	.	.
23	Primary or Other Diagnosis = Pulmonary disorders	.	.	.	1
24	Primary or Other Diagnosis = Pulmonary disorders AND M1860 (Ambulation) = 1 or more	.	1	.	.
25	Primary Diagnosis = Skin 1 -Traumatic wounds, burns, and post-operative complications	2	15	6	15
26	Other Diagnosis = Skin 1 - Traumatic wounds, burns, post-operative complications	5	11	7	11
27	Primary or Other Diagnosis = Skin 1 -Traumatic wounds, burns, and post-operative complications OR Skin 2 – Ulcers and other skin conditions AND M1030 (Therapy at home) = 1 (IV/Infusion) or 2 (Parenteral)	.	.	.	.
28	Primary or Other Diagnosis = Skin 2 - Ulcers and other skin conditions	2	15	8	15
29	Primary or Other Diagnosis = Tracheostomy	1	10	.	10
30	Primary or Other Diagnosis = Urostomy/Cystostomy	.	17	.	9
31	M1030 (Therapy at home) = 1 (IV/Infusion) or 2 (Parenteral)	.	10	1	10
32	M1030 (Therapy at home) = 3 (Enteral)	.	12	.	6
33	M1200 (Vision) = 1 or more	1	.	.	.
34	M1242 (Pain)= 3 or 4	3	.	2	1
35	M1311 = Two or more pressure ulcers at stage 3 or 4	2	4	2	4
36	M1324 (Most problematic pressure ulcer stage)= 1 or 2	4	17	6	16
37	M1324 (Most problematic pressure ulcer stage)= 3 or 4	6	27	8	23
38	M1334 (Stasis ulcer status)=2	3	12	5	12
39	M1334 (Stasis ulcer status)=3	5	15	7	15
40	M1342 (Surgical wound status)=2	2	6	5	12
41	M1342 (Surgical wound status)=3	.	5	4	8
42	M1400 (Dyspnea) = 2, 3, or 4	1	1	.	.
43	M1620 (Bowel Incontinence) = 2 to 5	.	3	.	3
44	M1630 (Ostomy)= 1 or 2	2	9	2	7
45	M2030 (Injectable Drug Use) = 0, 1, 2, or 3	.	.	.	.
FUNCTIONAL DIMENSION					
46	M1810 or M1820 (Dressing upper or lower body)= 1, 2, or 3	1	2	.	.
47	M1830 (Bathing) = 2 or more	6	4	5	.
48	M1840 (Toilet transferring) = 2 or more	1	.	.	.
49	M1850 (Transferring) = 2 or more	2	1	2	.
50	M1860 (Ambulation) = 1, 2 or 3	6	.	4	.
51	M1860 (Ambulation) = 4 or more	7	7	6	6

Source: CY 2017 Medicare claims data for episodes ending on or before December 31, 2017 (as of June 30, 2018) for which we had a linked OASIS assessment. LUPA episodes, outlier episodes, and episodes with PEP adjustments were excluded.

Note(s): Points are additive; however, points may not be given for the same line item in the table more than once. Please see Medicare Home Health Diagnosis Coding guidance at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service->

Payment/HomeHealthPPS/coding_billing.html for definitions of primary and secondary diagnoses.

In updating the four-equation model for CY 2019, using 2017 home health claims data (the last update to the four-equation model for CY 2018 used CY 2016 home health claims data), there were few changes to the point values for the variables in the four-equation model. These relatively minor changes reflect the change in the relationship between the grouper variables and resource use between CY 2016 and CY 2017. The final CY 2019 four-equation model resulted in 119 point-giving variables being used in the model (as compared to the 119 variables for the CY 2018 recalibration, which can be found in Table 2 of the CY 2018 HH PPS final rule (82 FR 51684)). There were 9 variables that were added to the model due to the presence of additional resources associated with those variables and 9 variables that were dropped from the model due to the absence of additional resources associated with those variables. Of the variables that were in both the four-equation model for CY 2019 and the four-equation model for CY 2018, the points for 7 variables increased in the CY 2019 four-equation model and the points for 68 variables decreased in the CY 2019 4-equation model. There were 35 variables with the same point values.

Step 2: Redefining the clinical and functional thresholds so they are reflective of the new points associated with the CY 2019 four-equation model. After estimating the points for each of the variables and summing the clinical and functional points for each episode, we look at the distribution of the clinical score and functional score, breaking the episodes into different steps. The categorizations for the steps are as follows:

- Step 1: First and second episodes, 0-13 therapy visits.
- Step 2.1: First and second episodes, 14-19 therapy visits.
- Step 2.2: Third episodes and beyond, 14-19 therapy visits.
- Step 3: Third episodes and beyond, 0-13 therapy visits.

- Step 4: Episodes with 20+ therapy visits.

Then, we divide the distribution of the clinical score for episodes within a step such that a third of episodes are classified as low clinical score, a third of episodes are classified as medium clinical score, and a third of episodes are classified as high clinical score. The same approach is then done looking at the functional score. It was not always possible to evenly divide the episodes within each step into thirds due to many episodes being clustered around one particular score.⁵

Also, we looked at the average resource use associated with each clinical and functional score and used that as a guide for setting our thresholds. We grouped scores with similar average resource use within the same level (even if it meant that more or less than a third of episodes were placed within a level). The new thresholds, based off the final CY 2019 four-equation model points are shown in Table 4.

TABLE 4: CY 2019 CLINICAL AND FUNCTIONAL THRESHOLDS

		1 st and 2 nd Episodes		3 rd + Episodes		All Episodes
		0 to 13 therapy visits	14 to 19 therapy visits	0 to 13 therapy visits	14 to 19 therapy visits	20+ therapy visits
Grouping Step		1	2	3	4	5
Equations used to calculate points (see Table 2)		1	2	3	4	(2&4)
Dimension	Severity Level					
Clinical	C1	0 to 1	0 to 1	0 to 1	0 to 1	0 to 3
	C2	2 to 3	2 to 7	2	2 to 9	4 to 16
	C3	4+	8+	3+	10+	17+
Functional	F1	0 to 12	0 to 7	0 to 6	0 to 2	0 to 2

⁵ For Step 1, 33.7 percent of episodes were in the medium functional level (All with score 13). For Step 2.1, 86.7% of episodes were in the low functional level (Most with scores 6 to 7). For Step 2.2, 81.5 percent of episodes were in the low functional level (Most with score 0). For Step 3, 46.6 percent of episodes were in the medium functional level (Most with score 9). For Step 4, 33.2 percent of episodes were in the medium functional level (Most with score 6).

		1 st and 2 nd Episodes		3rd+ Episodes		All Episodes
		0 to 13 therapy visits	14 to 19 therapy visits	0 to 13 therapy visits	14 to 19 therapy visits	20+ therapy visits
	F2	13	8 to 12	7 to 10	3 to 7	3 to 6
	F3	14+	13+	11+	8+	7+

Step 3: Once the clinical and functional thresholds are determined and each episode is assigned a clinical and functional level, the payment regression is estimated with an episode's wage-weighted minutes of care as the dependent variable. Independent variables in the model are indicators for the step of the episode as well as the clinical and functional levels within each step of the episode. Like the four-equation model, the payment regression model is also estimated with robust standard errors that are clustered at the beneficiary level. Table 5 shows the regression coefficients for the variables in the payment regression model updated with CY 2017 home health claims data. The R-squared value for the final CY 2019 payment regression model is 0.5429 (an increase from 0.5095 for the CY 2018 recalibration).

TABLE 5: CY 2019 PAYMENT REGRESSION MODEL

	Payment Regression from 4-Equation Model for CY 2019
Step 1, Clinical Score Medium	\$20.57
Step 1, Clinical Score High	\$56.45
Step 1, Functional Score Medium	\$68.66
Step 1, Functional Score High	\$96.85
Step 2.1, Clinical Score Medium	\$52.45
Step 2.1, Clinical Score High	\$126.15
Step 2.1, Functional Score Medium	\$20.24
Step 2.1, Functional Score High	\$31.91
Step 2.2, Clinical Score Medium	\$51.44
Step 2.2, Clinical Score High	\$180.61
Step 2.2, Functional Score Medium	\$47.44
Step 2.2, Functional Score High	\$0.00
Step 3, Clinical Score Medium	\$16.38
Step 3, Clinical Score High	\$85.55

	Payment Regression from 4-Equation Model for CY 2019
Step 3, Functional Score Medium	\$56.26
Step 3, Functional Score High	\$81.57
Step 4, Clinical Score Medium	\$70.36
Step 4, Clinical Score High	\$246.36
Step 4, Functional Score Medium	\$32.71
Step 4, Functional Score High	\$38.77
Step 2.1, 1st and 2nd Episodes, 14 to 19 Therapy Visits	\$505.27
Step 2.2, 3rd+ Episodes, 14 to 19 Therapy Visits	\$497.02
Step 3, 3rd+ Episodes, 0-13 Therapy Visits	-\$53.16
Step 4, All Episodes, 20+ Therapy Visits	\$851.24
Intercept	\$373.81

Source: CY 2017 Medicare claims data for episodes ending on or before December 31, 2017 (as of June 30, 2018) for which we had a linked OASIS assessment.

Step 4: We use the coefficients from the payment regression model to predict each episode’s wage-weighted minutes of care (resource use). We then divide these predicted values by the mean of the dependent variable (that is, the average wage-weighted minutes of care across all episodes used in the payment regression). This division constructs the weight for each episode, which is simply the ratio of the episode’s predicted wage-weighted minutes of care divided by the average wage-weighted minutes of care in the sample. Each episode is then aggregated into one of the 153 home health resource groups (HHRGs) and the “raw” weight for each HHRG was calculated as the average of the episode weights within the HHRG.

Step 5: The raw weights associated with 0 to 5 therapy visits are then increased by 3.75 percent, the weights associated with 14–15 therapy visits are decreased by 2.5 percent, and the weights associated with 20+ therapy visits are decreased by 5 percent. These adjustments to the case-mix weights were finalized in the CY 2012 HH PPS final rule (76 FR 68557) and were done to address concerns that the HH PPS over-values therapy episodes and undervalues non-therapy episodes and to better align the case-mix weights with episode costs

estimated from cost report data.⁶

Step 6: After the adjustments in step 5 are applied to the raw weights, the weights are further adjusted to create an increase in the payment weights for the therapy visit steps between the therapy thresholds. Weights with the same clinical severity level, functional severity level, and early/late episode status were grouped together. Then within those groups, the weights for each therapy step between thresholds are gradually increased. We do this by interpolating between the main thresholds on the model (from 0–5 to 14–15 therapy visits, and from 14–15 to 20+ therapy visits). We use a linear model to implement the interpolation so the payment weight increase for each step between the thresholds (such as the increase between 0–5 therapy visits and 6 therapy visits and the increase between 6 therapy visits and 7–9 therapy visits) are constant. This interpolation is identical to the process finalized in the CY 2012 HH PPS final rule (76 FR 68555).

Step 7: The interpolated weights are then adjusted so that the average case-mix for the weights is equal to 1.0000.⁷ This last step creates the CY 2019 case-mix weights shown in Table 6.

TABLE 6: CY 2019 CASE-MIX PAYMENT WEIGHTS

Pay Group	Description	Clinical and Functional Levels (1 = Low; 2 = Medium; 3= High)	CY 2019 Weight
I0111	1st and 2nd Episodes, 0 to 5 Therapy Visits	C1F1S1	0.5468
I0112	1st and 2nd Episodes, 6 Therapy Visits	C1F1S2	0.6791
I0113	1st and 2nd Episodes, 7 to 9 Therapy Visits	C1F1S3	0.8115
I0114	1st and 2nd Episodes, 10 Therapy Visits	C1F1S4	0.9438
I0115	1st and 2nd Episodes, 11 to 13 Therapy Visits	C1F1S5	1.0761

⁶ Medicare Payment Advisory Commission (MedPAC), *Report to Congress: Medicare Payment Policy*. March 2011, page 176.

⁷ When computing the average, we compute a weighted average, assigning a value of one to each normal episode and a value equal to the episode length divided by 60 for PEPs.

Pay Group	Description	Clinical and Functional Levels (1 = Low; 2 = Medium; 3= High)	CY 2019 Weight
21111	1st and 2nd Episodes, 14 to 15 Therapy Visits	C1F1S1	1.2085
21112	1st and 2nd Episodes, 16 to 17 Therapy Visits	C1F1S2	1.3526
21113	1st and 2nd Episodes, 18 to 19 Therapy Visits	C1F1S3	1.4968
10121	1st and 2nd Episodes, 0 to 5 Therapy Visits	C1F2S1	0.6473
10122	1st and 2nd Episodes, 6 Therapy Visits	C1F2S2	0.7651
10123	1st and 2nd Episodes, 7 to 9 Therapy Visits	C1F2S3	0.8829
10124	1st and 2nd Episodes, 10 Therapy Visits	C1F2S4	1.0007
10125	1st and 2nd Episodes, 11 to 13 Therapy Visits	C1F2S5	1.1185
21121	1st and 2nd Episodes, 14 to 15 Therapy Visits	C1F2S1	1.2363
21122	1st and 2nd Episodes, 16 to 17 Therapy Visits	C1F2S2	1.3858
21123	1st and 2nd Episodes, 18 to 19 Therapy Visits	C1F2S3	1.5352
10131	1st and 2nd Episodes, 0 to 5 Therapy Visits	C1F3S1	0.6885
10132	1st and 2nd Episodes, 6 Therapy Visits	C1F3S2	0.8013
10133	1st and 2nd Episodes, 7 to 9 Therapy Visits	C1F3S3	0.9140
10134	1st and 2nd Episodes, 10 Therapy Visits	C1F3S4	1.0268
10135	1st and 2nd Episodes, 11 to 13 Therapy Visits	C1F3S5	1.1396
21131	1st and 2nd Episodes, 14 to 15 Therapy Visits	C1F3S1	1.2523
21132	1st and 2nd Episodes, 16 to 17 Therapy Visits	C1F3S2	1.3992
21133	1st and 2nd Episodes, 18 to 19 Therapy Visits	C1F3S3	1.5460
10211	1st and 2nd Episodes, 0 to 5 Therapy Visits	C2F1S1	0.5769
10212	1st and 2nd Episodes, 6 Therapy Visits	C2F1S2	0.7176
10213	1st and 2nd Episodes, 7 to 9 Therapy Visits	C2F1S3	0.8584
10214	1st and 2nd Episodes, 10 Therapy Visits	C2F1S4	0.9991
10215	1st and 2nd Episodes, 11 to 13 Therapy Visits	C2F1S5	1.1398
21211	1st and 2nd Episodes, 14 to 15 Therapy Visits	C2F1S1	1.2806
21212	1st and 2nd Episodes, 16 to 17 Therapy Visits	C2F1S2	1.4321
21213	1st and 2nd Episodes, 18 to 19 Therapy Visits	C2F1S3	1.5836
10221	1st and 2nd Episodes, 0 to 5 Therapy Visits	C2F2S1	0.6773
10222	1st and 2nd Episodes, 6 Therapy Visits	C2F2S2	0.8035
10223	1st and 2nd Episodes, 7 to 9 Therapy Visits	C2F2S3	0.9298
10224	1st and 2nd Episodes, 10 Therapy Visits	C2F2S4	1.0560
10225	1st and 2nd Episodes, 11 to 13 Therapy Visits	C2F2S5	1.1822
21221	1st and 2nd Episodes, 14 to 15 Therapy Visits	C2F2S1	1.3084
21222	1st and 2nd Episodes, 16 to 17 Therapy Visits	C2F2S2	1.4653
21223	1st and 2nd Episodes, 18 to 19 Therapy Visits	C2F2S3	1.6221
10231	1st and 2nd Episodes, 0 to 5 Therapy Visits	C2F3S1	0.7186
10232	1st and 2nd Episodes, 6 Therapy Visits	C2F3S2	0.8397
10233	1st and 2nd Episodes, 7 to 9 Therapy Visits	C2F3S3	0.9609
10234	1st and 2nd Episodes, 10 Therapy Visits	C2F3S4	1.0821
10235	1st and 2nd Episodes, 11 to 13 Therapy Visits	C2F3S5	1.2033
21231	1st and 2nd Episodes, 14 to 15 Therapy Visits	C2F3S1	1.3244
21232	1st and 2nd Episodes, 16 to 17 Therapy Visits	C2F3S2	1.4787
21233	1st and 2nd Episodes, 18 to 19 Therapy Visits	C2F3S3	1.6329
10311	1st and 2nd Episodes, 0 to 5 Therapy Visits	C3F1S1	0.6294
10312	1st and 2nd Episodes, 6 Therapy Visits	C3F1S2	0.7799
10313	1st and 2nd Episodes, 7 to 9 Therapy Visits	C3F1S3	0.9304
10314	1st and 2nd Episodes, 10 Therapy Visits	C3F1S4	1.0809

Pay Group	Description	Clinical and Functional Levels (1 = Low; 2 = Medium; 3= High)	CY 2019 Weight
10315	1st and 2nd Episodes, 11 to 13 Therapy Visits	C3F1S5	1.2314
21311	1st and 2nd Episodes, 14 to 15 Therapy Visits	C3F1S1	1.3819
21312	1st and 2nd Episodes, 16 to 17 Therapy Visits	C3F1S2	1.5782
21313	1st and 2nd Episodes, 18 to 19 Therapy Visits	C3F1S3	1.7746
10321	1st and 2nd Episodes, 0 to 5 Therapy Visits	C3F2S1	0.7298
10322	1st and 2nd Episodes, 6 Therapy Visits	C3F2S2	0.8658
10323	1st and 2nd Episodes, 7 to 9 Therapy Visits	C3F2S3	1.0018
10324	1st and 2nd Episodes, 10 Therapy Visits	C3F2S4	1.1378
10325	1st and 2nd Episodes, 11 to 13 Therapy Visits	C3F2S5	1.2737
21321	1st and 2nd Episodes, 14 to 15 Therapy Visits	C3F2S1	1.4097
21322	1st and 2nd Episodes, 16 to 17 Therapy Visits	C3F2S2	1.6114
21323	1st and 2nd Episodes, 18 to 19 Therapy Visits	C3F2S3	1.8130
10331	1st and 2nd Episodes, 0 to 5 Therapy Visits	C3F3S1	0.7711
10332	1st and 2nd Episodes, 6 Therapy Visits	C3F3S2	0.9020
10333	1st and 2nd Episodes, 7 to 9 Therapy Visits	C3F3S3	1.0329
10334	1st and 2nd Episodes, 10 Therapy Visits	C3F3S4	1.1639
10335	1st and 2nd Episodes, 11 to 13 Therapy Visits	C3F3S5	1.2948
21331	1st and 2nd Episodes, 14 to 15 Therapy Visits	C3F3S1	1.4258
21332	1st and 2nd Episodes, 16 to 17 Therapy Visits	C3F3S2	1.6248
21333	1st and 2nd Episodes, 18 to 19 Therapy Visits	C3F3S3	1.8238
30111	3rd+ Episodes, 0 to 5 Therapy Visits	C1F1S1	0.4691
30112	3rd+ Episodes, 6 Therapy Visits	C1F1S2	0.6147
30113	3rd+ Episodes, 7 to 9 Therapy Visits	C1F1S3	0.7603
30114	3rd+ Episodes, 10 Therapy Visits	C1F1S4	0.9059
30115	3rd+ Episodes, 11 to 13 Therapy Visits	C1F1S5	1.0515
22111	3rd+ Episodes, 14 to 15 Therapy Visits	C1F1S1	1.1971
22112	3rd+ Episodes, 16 to 17 Therapy Visits	C1F1S2	1.3451
22113	3rd+ Episodes, 18 to 19 Therapy Visits	C1F1S3	1.4930
40111	All Episodes, 20+ Therapy Visits	C1F1S1	1.6409
30121	3rd+ Episodes, 0 to 5 Therapy Visits	C1F2S1	0.5514
30122	3rd+ Episodes, 6 Therapy Visits	C1F2S2	0.6936
30123	3rd+ Episodes, 7 to 9 Therapy Visits	C1F2S3	0.8358
30124	3rd+ Episodes, 10 Therapy Visits	C1F2S4	0.9780
30125	3rd+ Episodes, 11 to 13 Therapy Visits	C1F2S5	1.1202
22121	3rd+ Episodes, 14 to 15 Therapy Visits	C1F2S1	1.2624
22122	3rd+ Episodes, 16 to 17 Therapy Visits	C1F2S2	1.4031
22123	3rd+ Episodes, 18 to 19 Therapy Visits	C1F2S3	1.5439
40121	All Episodes, 20+ Therapy Visits	C1F2S1	1.6847
30131	3rd+ Episodes, 0 to 5 Therapy Visits	C1F3S1	0.5884
30132	3rd+ Episodes, 6 Therapy Visits	C1F3S2	0.7232
30133	3rd+ Episodes, 7 to 9 Therapy Visits	C1F3S3	0.8580
30134	3rd+ Episodes, 10 Therapy Visits	C1F3S4	0.9928
30135	3rd+ Episodes, 11 to 13 Therapy Visits	C1F3S5	1.1276
22131	3rd+ Episodes, 14 to 15 Therapy Visits	C1F3S1	1.2624
22132	3rd+ Episodes, 16 to 17 Therapy Visits	C1F3S2	1.4058
22133	3rd+ Episodes, 18 to 19 Therapy Visits	C1F3S3	1.5493
40131	All Episodes, 20+ Therapy Visits	C1F3S1	1.6928

Pay Group	Description	Clinical and Functional Levels (1 = Low; 2 = Medium; 3= High)	CY 2019 Weight
30211	3rd+ Episodes, 0 to 5 Therapy Visits	C2F1S1	0.4930
30212	3rd+ Episodes, 6 Therapy Visits	C2F1S2	0.6480
30213	3rd+ Episodes, 7 to 9 Therapy Visits	C2F1S3	0.8030
30214	3rd+ Episodes, 10 Therapy Visits	C2F1S4	0.9579
30215	3rd+ Episodes, 11 to 13 Therapy Visits	C2F1S5	1.1129
22211	3rd+ Episodes, 14 to 15 Therapy Visits	C2F1S1	1.2679
22212	3rd+ Episodes, 16 to 17 Therapy Visits	C2F1S2	1.4236
22213	3rd+ Episodes, 18 to 19 Therapy Visits	C2F1S3	1.5794
40211	All Episodes, 20+ Therapy Visits	C2F1S1	1.7352
30221	3rd+ Episodes, 0 to 5 Therapy Visits	C2F2S1	0.5753
30222	3rd+ Episodes, 6 Therapy Visits	C2F2S2	0.7269
30223	3rd+ Episodes, 7 to 9 Therapy Visits	C2F2S3	0.8784
30224	3rd+ Episodes, 10 Therapy Visits	C2F2S4	1.0300
30225	3rd+ Episodes, 11 to 13 Therapy Visits	C2F2S5	1.1815
22221	3rd+ Episodes, 14 to 15 Therapy Visits	C2F2S1	1.3331
22222	3rd+ Episodes, 16 to 17 Therapy Visits	C2F2S2	1.4817
22223	3rd+ Episodes, 18 to 19 Therapy Visits	C2F2S3	1.6303
40221	All Episodes, 20+ Therapy Visits	C2F2S1	1.7790
30231	3rd+ Episodes, 0 to 5 Therapy Visits	C2F3S1	0.6123
30232	3rd+ Episodes, 6 Therapy Visits	C2F3S2	0.7565
30233	3rd+ Episodes, 7 to 9 Therapy Visits	C2F3S3	0.9006
30234	3rd+ Episodes, 10 Therapy Visits	C2F3S4	1.0448
30235	3rd+ Episodes, 11 to 13 Therapy Visits	C2F3S5	1.1889
22231	3rd+ Episodes, 14 to 15 Therapy Visits	C2F3S1	1.3331
22232	3rd+ Episodes, 16 to 17 Therapy Visits	C2F3S2	1.4844
22233	3rd+ Episodes, 18 to 19 Therapy Visits	C2F3S3	1.6357
40231	All Episodes, 20+ Therapy Visits	C2F3S1	1.7871
30311	3rd+ Episodes, 0 to 5 Therapy Visits	C3F1S1	0.5942
30312	3rd+ Episodes, 6 Therapy Visits	C3F1S2	0.7644
30313	3rd+ Episodes, 7 to 9 Therapy Visits	C3F1S3	0.9347
30314	3rd+ Episodes, 10 Therapy Visits	C3F1S4	1.1049
30315	3rd+ Episodes, 11 to 13 Therapy Visits	C3F1S5	1.2752
22311	3rd+ Episodes, 14 to 15 Therapy Visits	C3F1S1	1.4454
22312	3rd+ Episodes, 16 to 17 Therapy Visits	C3F1S2	1.6206
22313	3rd+ Episodes, 18 to 19 Therapy Visits	C3F1S3	1.7957
40311	All Episodes, 20+ Therapy Visits	C3F1S1	1.9709
30321	3rd+ Episodes, 0 to 5 Therapy Visits	C3F2S1	0.6765
30322	3rd+ Episodes, 6 Therapy Visits	C3F2S2	0.8433
30323	3rd+ Episodes, 7 to 9 Therapy Visits	C3F2S3	1.0102
30324	3rd+ Episodes, 10 Therapy Visits	C3F2S4	1.1770
30325	3rd+ Episodes, 11 to 13 Therapy Visits	C3F2S5	1.3438
22321	3rd+ Episodes, 14 to 15 Therapy Visits	C3F2S1	1.5106
22322	3rd+ Episodes, 16 to 17 Therapy Visits	C3F2S2	1.6787
22323	3rd+ Episodes, 18 to 19 Therapy Visits	C3F2S3	1.8467
40321	All Episodes, 20+ Therapy Visits	C3F2S1	2.0147
30331	3rd+ Episodes, 0 to 5 Therapy Visits	C3F3S1	0.7135
30332	3rd+ Episodes, 6 Therapy Visits	C3F3S2	0.8729

Pay Group	Description	Clinical and Functional Levels (1 = Low; 2 = Medium; 3= High)	CY 2019 Weight
30333	3rd+ Episodes, 7 to 9 Therapy Visits	C3F3S3	1.0324
30334	3rd+ Episodes, 10 Therapy Visits	C3F3S4	1.1918
30335	3rd+ Episodes, 11 to 13 Therapy Visits	C3F3S5	1.3512
22331	3rd+ Episodes, 14 to 15 Therapy Visits	C3F3S1	1.5106
22332	3rd+ Episodes, 16 to 17 Therapy Visits	C3F3S2	1.6814
22333	3rd+ Episodes, 18 to 19 Therapy Visits	C3F3S3	1.8521
40331	All Episodes, 20+ Therapy Visits	C3F3S1	2.0228

To ensure the changes to the HH PPS case-mix weights are implemented in a budget neutral manner, we then apply a case-mix budget neutrality factor to the CY 2019 national, standardized 60-day episode payment rate (see section III.C.3. of this final rule with comment period). The case-mix budget neutrality factor is calculated as the ratio of total payments when the CY 2019 HH PPS case-mix weights (developed using CY 2017 home health claims data) are applied to CY 2017 utilization (claims) data to total payments when CY 2018 HH PPS case-mix weights (developed using CY 2016 home health claims data) are applied to CY 2017 utilization data. This produces a case-mix budget neutrality factor for CY 2019 of 1.0169.

The following is a summary of the comments received and our responses to comments on the CY 2019 HH PPS case-mix weights.

Comment: Some commenters believe that CMS should not recalibrate the case-mix weights for CY 2019 because annual changes are too frequent. Other commenters indicated that CMS should provide more detail on how the recalibration works and why the model is recalibrated every year.

Response: As stated in the CY 2019 HH PPS proposed rule (83 FR 32340), the methodology used to recalibrate the weights is identical to the methodology used in the CY 2012 recalibration except for the minor exceptions as noted in the CY 2015 HH PPS proposed and