

CHAPTER 12
ADDENDUM L (CY 2006)

ANNUAL HHA PPS RATE UPDATES - CALENDAR YEAR 2006

(Final payment amounts per 60-day episodes ending on or after January 1, 2006 and before December 31, 2006 - Continuing calendar year update)

Home Health Agency PPS - Determination of Standard HHA PPS

Section 5201 of the Deficit Reduction Act (DRG) of 2005 (Pub. L. No. 109-171) freezes HHA PPS rates for CY 2006 at the CY 2005 rates (a zero percent update). Section 5201 of the DRG also modifies Section 421(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 to reinstitute a 5 percent payment increase for home health services furnished in a rural area with respect to episodes and visits beginning on or after January 1, 2006 and before January 1, 2007.

Final 60-day Episode Payment Amounts for Site of Service in Non-Rural Areas - CY 2006

The following CY 2004 60-day episode payment rate was frozen at the CY 2005 rate (a zero percent update) for episodes ending on or after January 1, 2006 and before January 1, 2007:

Total Prospective Payment Amount Per 60-day Episode for CY 2005	0 Percent Update per DCA of 2005	Total prospective payment amount per 60-day episode for CY 2006
\$2,264.28	--	\$2,264.28

Following are the national per-visit amounts for LUPAs (i.e., episodes with 4 or fewer visits) and outlier calculations which have been frozen at CY 2005 levels for visits/episodes ending on or after January 1, 2006, and before January 1, 2007):

Home Health Discipline Type	Total prospective payment amount per 60-day episode for CY 2005	0 Percent Updated	Total prospective payment amount per 60-day episode for CY2006
Home Health Aide	\$44.76	--	\$44.76
Medical Social Services	158.45	--	158.45
Occupational Therapy	108.81	--	108.81
Physical Therapy	108.08	--	108.08
Skilled Nursing	98.85	--	98.85
Speech-Language Pathology	117.44	--	117.44

TRICARE REIMBURSEMENT MANUAL 6010.55-M, AUGUST 1, 2002

CHAPTER 12, ADDENDUM L (CY 2006)

ANNUAL HHA PPS RATE UPDATES - CALENDAR YEAR 2006

Final 60-day Episode Payment Amounts for Site of Service in Rural Areas - CY 2006

Following is the CY 2006 rural add-on to the 60-day payment for episodes ending on or after January 1, 2006, and before January 1, 2007, for beneficiaries who reside in a non-MSA/non-CBSA area before application of case-mix and wage index adjustments.

Total Prospective Payment Amount Per 60-day Episode for CY 2005	Multiplied by 5 percent rural increase	Total prospective payment amount per 60-day episode for CY 2006 for a beneficiary who resides in a rural, non-MSA/non-CBSA area
\$2,264.28	1.05	\$2,377.49

The following are rural add-on amounts for visits ending on or after January 1, 2006 and before January 1, 2007, used in the calculation of LUPAs (i.e., episodes with 4 or fewer visits) and outliers before application of case mix and wage index adjustments:

Home Health Discipline Type	Total prospective payment amount per 60-day episode for CY 2005	Multiplied by 5 percent rural increase	Final standardized per visit payment amounts per 60-day episode for LUPA
Home Health Aide	\$44.76	1.05	\$47.00
Medical Social Services	158.45	1.05	166.37
Occupational Therapy	108.81	1.05	114.25
Physical Therapy	108.08	1.05	113.48
Skilled Nursing	98.85	1.05	103.79
Speech-Language Pathology	117.44	1.05	123.31

Contractor Requirements:

- Shall install a new HH PPS Pricer software module effective January 1, 2006.
- Shall apply the CY 2006 HH PPS payment rates for episodes which claim statement "Through" dates on or after January 1 and on or before December 31, 2006.
- Shall apply 5 percent rural add-on HH PPS payment rates for episodes with claim statement "From" dates on or after January 1, 2006 and on or before December 31, 2006.
- Shall identify episodes that qualify for the 5 percent rural add-on using CBSA codes that begin with '999' and special wage index codes beginning with '50'.