

Annual Home Health Agency Prospective Payment System (HHA PPS) Rate Updates - CY 2007

(Final payment amounts per 60-day episodes ending on or after January 1, 2007 and before January 1, 2008 - Continuing calendar year (CY) update.)

Home Health Agency Prospective Payment System (PPS) - Determination of Standard HHA PPS

Section 5201 of the Deficit Reduction Act (DRA) of 2005 (Public Law (PL) No. 109-171) provides that home health payments be updated by the applicable home health payments be updated by the applicable home health market basket percentage increase of CY 2007. For CY 2007, the applicable home health market basket was 3.3%. Section 5201 of the **DRA** also modifies Section 421(a) of the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003 to reinstitute a five percent payment increase for home health services furnished in a rural area with respect to episodes and visits beginning on or after January 1, 2007 and before January 1, 2008.

Final 60-Day Episode Payment Amounts for Site of Service in Non-Rural Areas - CY 2007

The following CY 2006 60-day episode payment rate was increased by the home health market basket increase (3.3%) to yield the updated CY 2007 national 60-day episode rate (\$2,339.00) for episodes ending on or after January 1, 2007 and before January 1, 2008:

Total Prospective Payment Amount Per 60-Day Episode for CY 2006	3.3% Update for CY 2007	Total Prospective Payment Amount Per 60-Day Episode For CY 2007
\$2,264.28	x 1.033	\$2,339.00

Following are the national per-visit amounts for Low Utilization Payment Adjustments (LUPAs) (i.e., episodes with four or fewer visits) and outlier calculations updated by the applicable home health market basket for CY 2007 (3.3%) for visits/episodes ending on or after January 1, 2007, and before January 1, 2008):

Home Health Discipline Type	Total Prospective Payment Amount Per 60-Day Episode For CY 2005	3.3% Updated	Total Prospective Payment Amount Per 60-Day Episode For CY 2007
Home Health Aide	\$44.76	x 1.033	\$46.24
Medical Social Services	\$158.45	x 1.033	\$163.68
Occupational Therapy	\$108.81	x 1.033	\$112.40
Physical Therapy	\$108.08	x 1.033	\$111.65
Skilled Nursing	\$98.85	x 1.033	\$102.11
Speech-Language Pathology	\$117.44	x 1.033	\$121.32

TRICARE Reimbursement Manual 6010.58-M, February 1, 2008

Chapter 12, Addendum L (CY 2007)

Annual Home Health Agency Prospective Payment System (HHA PPS) Rate Updates - CY 2007

Final 60-Day Episode Payment Amounts for Site of Service in Rural Areas - CY 2007

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 rural area before application of case-mix and wage index adjustments while the rural add-on primarily affects those episodes paid on CY 2006 rates, it also affects a number of CY 2007 episodes.

Total Prospective Payment Amount Per 60-Day Episode for CY 2005	Multiplied By Five 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
\$2,339.00	1.05	\$2,455.95

The following are rural add-on amounts for visits ending on or after January 1, 2007 and before January 1, 2008, used in the calculation of LUPAs (i.e., episodes with four 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 2007	Multiplied By Five Percent Rural Increase	Final Standardized Per Visit Payment Amounts Per 60-Day Episode For LUPA
Home Health Aide	\$46.24	1.05	\$48.55
Medical Social Services	\$163.68	1.05	\$171.86
Occupational Therapy	\$112.40	1.05	\$118.02
Physical Therapy	\$111.65	1.05	\$117.23
Skilled Nursing	\$102.11	1.05	\$107.22
Speech-Language Pathology	\$121.32	1.05	\$127.39

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, 2007 and before January 1, 2008.
- Shall apply five percent rural add-on HH PPS payment rates for episodes with claim statement "From" dates on or after January 1, 2007 and before January 1, 2008.

- END -