



Home Care Association of Florida
RESOURCES. EDUCATION. ADVOCACY

July 30, 2018

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Submitted electronically via Regulations.gov

RE: CMS-10599 (OMB Control Number 0938-1311), Pre-Claim Review Demonstration for Home Health Services

Dear Administrator Verma:

The Home Care Association of Florida (HCAF) is the statewide trade association representing Florida's 1,022 Medicare-certified home health agencies (HHA) that are dedicated to providing high-quality, cost-effective health care at home to more than 349,000 Medicare beneficiaries each year. HCAF appreciates the opportunity to comment on the proposed rule to implement the Review Choice Demonstration for Home Health Services (RCD) as proposed by the Centers for Medicare & Medicaid Services (CMS) on May 31, 2018.

CMS's proposed demonstration would apply to five states (Illinois, Ohio, North Carolina, Florida, and Texas) and begin no earlier than October 1, 2018 for five years. CMS estimates the program cost to be \$40 million per year for a decade. HHAs would initially choose between three options: (1) 100 percent pre-claim review; (2) 100 percent post-payment review; or, (3) minimal post-payment review of a smaller portion of the provider's home health claims, with a 25 percent reduction of payment on all home health claims. Pre-claim or post-payment review will be required for every episode of care until the HHA reaches the target affirmation or claim approval rate (90 percent, based on a minimum of 10 pre-claim requests or claims submitted). Providers that select the third option could also be subject to potential Recovery Audit Contractor review for the duration of the demonstration and may not select another option.

A. Lessons Learned from the Pre-Claim Review Demonstration in Illinois

Florida home health care providers appreciated CMS' suspension of the Pre-Claim Review Demonstration (PCRD), which was set to take effect in Florida beginning in 2017.

Throughout the eight-month period during which the PCRD was in effect in Illinois, HCAF and state home care association leaders in the targeted states held regular meetings to share Illinois' pre-claim affirmation rates as well as best practices and guidance for provider education and other preparation measures while awaiting the program's implementation. Following CMS' suspension of the PCRD before it was set to go into effect in Florida, industry leaders conducted a post-mortem of the PCRD which concluded that although the affirmative rate was over 90 percent, the demonstration yielded significant cost increases and administrative burdens to providers in a climate of decreasing reimbursement. In fact, an industry analysis found that Illinois providers' reimbursement and cash flow losses totaled more than \$100 million during the PCRD. Additionally, the volume of claims submitted before, during, and after the PCRD indicate that beneficiaries experienced a more than 20 percent reduction in access to home health care. This raises serious concerns considering Florida tops the nation in our share of Medicare-eligible citizens who could benefit from these services.



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B. Florida HHAs Disproportionately Targeted with Costly, Burdensome Initiatives

In addition to the RCD proposal ignoring the flaws of the PCRD, this latest proposal is especially ill-timed for Florida providers that have been disproportionately subjected to multiple pilot programs, demonstrations, new and revised regulations, and increased and aggressive auditing practices in recent years. As one of five states subject to the proposed RCD, initiatives already in effect or effective soon in Florida include: the ongoing Home Health Value-Based Purchasing Model (Florida is one of nine states selected for the demonstration); administrative and education costs expended to prepare for implementation of the withdrawn Pre-Claim Review Demonstration (Florida was one of five states selected for this demonstration); rampant and aggressive auditing practices by SafeGuard Services, LLC, the Zone Integrity Program Contractor; expansion of the Targeted Probe and Educate audit strategy; new Medicare Conditions of Participation; and, most recently, the proposed Patient-Driven Groupings Model, widely seen as most dramatic overhaul to the Medicare home health payment system since implementation of the Prospective Payment System in 2000.

Through HCAF's education and outreach activities around the RCD, we have concluded that it would have a significant impact on our members due to the complexity, cost, and administrative burden incurred, in addition to what providers are already contending with due to the above-mentioned programs. Additionally, with providers already operating a razor-thin profit margins and program changes piling on too quickly, HCAF fears that unintended consequences will come to light, most concerning reduced quality of patient care and access to the home health benefit.

C. Recommendations

HCAF supports CMS's efforts to protect the integrity of the Medicare benefit, but the RCD is the wrong approach to combat waste, fraud, and abuse. As one of five identified in in this demonstration, we strongly urge CMS to reconsider the implementation of the revised RCD. Otherwise, we hope that the implementation timeline for Florida HHAs would be adequate so that providers can work toward compliance with the demonstrations, regulatory changes, and other requirements already before them. Ideally, any start date for the RCD would follow implementation of PDGM payment reform as proposed by CMS and passed by Congress. Therefore, a phased-in approach, including ample time to obtain RCD-related education and training, as well as adequate prior notice before implementation would help HHAs shoulder this additional burden.

We stand ready to work with CMS to safeguard taxpayers' dollars and protect the Medicare program from fraudulent activity with an approach to program integrity that is targeted and effective rather than broad-based, forcing every provider to absorb greater administrative burdens and potentially place patient care at risk. We will continue to oppose unnecessary government regulations that increase costs to the taxpayer, generate little value for patients and make it more difficult to provide high-quality care in the cost-effective, patient-preferred home setting.

Sincerely,

A handwritten signature in black ink that reads 'Bobby Lolley'.

Bobby Lolley, RN
Executive Director