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December 5, 2006

# Home Care Association of Colorado Management Report

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**New updates added weekly to [www.hcaonline.org](http://www.hcaonline.org)! Check it out!**

## CMS Open Door Forum: Home Health P4P Demo

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**Wednesday, December 13, 2006 at 11 a.m. to 12:30 p.m., Mountain**



HCAC members are encouraged to participate in the CMS Special Open Door Forum covering the design and implementation of the Home Health Pay for Performance (P4P) Demonstration. Through this forum CMS is seeking input and comments from home health industry representatives on the proposed demonstration design. The call will also help agencies decide whether to participate in the demo.

## Quick Links...

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- [Save the Date for HCAC's Annual Convention: May 10-11, 2007](#)
- [Check Out HCAC's Jobs and Services Store](#)
- [Visit Our 24/7 Virtual Trade Show](#)

Background information (PowerPoint presentation) will be available after Wednesday, December 6th at the demonstration web site, <http://www.hhp4p.info>. The presentation will discuss design principles and specifications including proposed quality and performance measures, performance monitoring methodology, scoring rules and incentive pools and payments.

**Dial: 1-800-837-1935 - Conference ID: 2227857**

**ENCORE: 1-800-642-1687; Conference ID# 2227857**

"Encore" is an audio recording of this call that can be accessed beginning two hours after the conference has ended. The recording will expire after four business days.

**Join our mailing list!**

For CMS Forum Schedule updates, Listserv registration and Frequently Asked Questions please visit <http://www.cms.hhs.gov/OpenDoorForums>

## **CMS Announces Payment Changes for Medicare Home Health, Medical and Oxygen Equipment**

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The Centers for Medicare & Medicaid Services (CMS) has announced a 3.3 percent market basket increase for Medicare payment rates for home health services for calendar year (CY) 2007. The home health prospective payment system (HH PPS) annual update will bring an estimated additional \$410 million in wage-adjusted payments to home health agencies next year.

The final rule also changes how Medicare will pay for oxygen and oxygen equipment, as well as capped rental items, such as wheelchairs and hospital beds, and establishes new protections for beneficiaries who require these items. These changes will save beneficiaries and taxpayers money, while ensuring that beneficiaries get the items and services they need. The final rule implements Section 5101 of the DRA that requires suppliers to transfer title of oxygen equipment to the beneficiary after 36 months of rental payments and capped rental items after 13 months. After the transfer of title, Medicare payments and beneficiary coinsurance on the rental payment would no longer be made.

After a beneficiary owns the equipment, Medicare will pay for: (a) oxygen contents for beneficiary-owned tanks and cylinders for as long as the beneficiary medically needs oxygen, (b) reasonable and necessary equipment maintenance and servicing not covered by a supplier's or manufacturer's warranty, including general maintenance and servicing every 6 months, (c) equipment repairs, and (d) supplies and accessories such as replacement of cannulas and tubing.

Also in the final rule, CMS used its authority to establish separate classes and payment amounts for oxygen generating portable equipment (OGPE), and for gaseous and liquid oxygen contents that must be delivered for beneficiary-owned stationary and portable oxygen equipment. The final rule also contains new supplier requirements to safeguard beneficiaries now that they will own their oxygen

equipment and capped rental items.

The final HHA rule as published in the Federal Register on **Thursday, November 9** can be located on the CMS website at:

[www.cms.hhs.gov/HomeHealthPPS/downloads/CMS1304Fdisplay.pdf](http://www.cms.hhs.gov/HomeHealthPPS/downloads/CMS1304Fdisplay.pdf)

[Click here](#) for the PPS calculator that was updated by the National Association for Home Care & Hospice to reflect 2007 payment rates for agencies receiving the full 3.3% market basket update effective for episodes ending on or after January 1, 2007. In order to determine your agency's payment rate for each HIPPS code, simply change the wage index field to reflect the wage index rate for your CBSA.

## **Flu Season is Here! Discuss With Clients & Staff**

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Flu Season is upon us! Begin now to take advantage of each visit as an opportunity to talk with your clients about the flu virus and their risks for complications associated with the flu, and encourage them to get their flu shot. And don't forget, health care professionals need to protect themselves also. **Get Your Flu Shot. – Protect yourself, your patients, and your family and friends.** Remember - Influenza vaccination is a covered Part B benefit. Note that influenza vaccine is NOT a Part D covered drug.

A recent CMS MedLearn Matters article offers descriptions and links to additional sites where detailed information can be found about the CMS vaccine program, including billing and payment guidance. According to Mary St. Pierre, NAHC's Vice President for Regulatory Affairs, the first link below is to the MedLearn Vaccine Resources. The second link will take you directly to the 2006 OPSS administration rates by state. The administration rate for home health agencies is based on Outpatient Prospective Payment System (OPPS) this year. The third link is to information about vaccine payment. Home health agencies are paid on a "reasonable cost" basis for flu vaccine. The last link offers billing guidance.

[Medlearn Vaccine Resources](#)

[Administration Rates](#)

[Guidelines to Payment for Vaccines](#)

[Quick Reference to Billing](#)

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