

CMS Proposes Cost Report Changes for Freestanding Home Health Providers

On April 16, 2019, the Centers for Medicare & Medicaid Services (CMS) published **notice** in the *Federal Register* of plans to revise the existing home health freestanding cost reporting instructions and forms (1728-94) with revised forms and instructions (1728-19). CMS has also posted online **several documents** related to the proposed cost report revisions, including the proposed forms and instructions, a crosswalk of the proposed changes, and a document outlining CMS' justification for making the proposed changes.

CMS indicates that the changes are designed to capture a cost per visit by type of clinician, report bad debt, and account for negative wound pressure therapy paid under OPPS. Additionally, the forms are revised to remove obsolete data collections, such as unduplicated census counts and per beneficiary limits, as well as to eliminate worksheets for a rural health clinic and a federally qualified health center. CMS anticipates that the changes will reduce the paperwork burden on freestanding home health agencies by an average of 32 hours (from 227 to 195 hours). As of this time CMS plans to make these changes effective for cost reporting years beginning on or after January 1, 2019.

Following are several of the changes that CMS is proposing as part of the new package:

Addition to Worksheet S-3: Part I – census stats (visits and patients by discipline)

- Non-Medicare visits/patients are separately reported as Medicaid and Other. On forms that are currently in use the visits are combined.
- Visits by discipline are further segregated as follows:
 - Skilled Nursing – RN and LPN
 - PT/PTA
 - OT/OTA

Addition to Worksheet S-3: A new Part V containing:

- Occupational cost data – salaries and fringes by occupational category
- Cost of contract labor by occupational category
 - Each line item requires paid hours
 - CR will calculate average hourly wage by occupational category

Addition to Worksheet A, Trial Balance of Expenses:

- New cost center
 - Remote Patient Monitoring – overhead cost center
 - Skilled Nursing Care – separate cost centers for RNs and LPNs
 - PT – separate cost centers for PT and PTA / OT and OTA

Worksheet O series: Does not contain changes made to freestanding hospice cost report and put in place in 2018

Volunteers from the National Association for Home Care & Hospice's (NAHC) Home Care and Hospice Financial Managers Association (HHFMA) have begun plans to conduct a thorough review of the proposed changes and submit comments to CMS in time for the June 17 comment deadline. The project is being conducted under the auspices of the HHFMA Payment and Reimbursement Committee (Chaired by Nick Seabrook of BlackTree Healthcare Consulting) and being led by Dave Macke of VonLehman CPA and Advisory Firm.
(*NAHC Report*, April 17, 2019)