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Coding, Therapy Oversight Will Shift as New HHA PPS Takes Effect Jan. 1; LUPA Changes

By Nina Youngstrom

CMS has gone to great lengths to foil gaming of the low utilization payment adjustment (LUPA) in the new version of the home health prospective payment system that takes effect Jan. 1. Called the Patient-Driven Groupings Model (PDGM), it changed the way Medicare configures the LUPA, which is a reduced payment for patients who have four or fewer home health visits during the 60-day episode of care. Because the reduced payment may tempt some home health agencies to squeeze in an extra visit, medically necessary or not, which would push patients out of the LUPA, CMS has put an end to a one-size-fits-all approach. Under the PDGM, the LUPA number—which is the number of home health visits that flips the switch on the reduced payment—varies by the home health resource group that the patient falls into.

The strategy should prevent abuses, says Regina Alexander, senior consultant at VantagePoint HealthCare Advisors in Hamden, Connecticut. "The LUPA could be seven visits for one resource group and three for another. It's another thing that will reduce the possibility you can game it unless you have downloaded a massive CMS spreadsheet that tells you the LUPA for every grouping."

That's one of the significant changes coming to home health agencies (HHAs) in the overhaul of the home health prospective payment system, which arrives three months after CMS implemented the Patient-Driven Payment Model (PDPM), Medicare's radical new way to pay skilled nursing facilities (SNFs).[1] In both systems, there is a shift away from therapy driving reimbursement and a premium on coding, and compliance eyes will have to follow.