

§ 484.220

(3) By multiplying the mean national cost per visit by the national mean utilization summed in the aggregate for the six disciplines.

(4) By adding to the amount derived in paragraph (d)(3) of this section, amounts for nonroutine medical supplies, an OASIS adjustment for estimated ongoing reporting costs, an OASIS adjustment for the one time implementation costs associated with assessment scheduling form changes and amounts for Part B therapies that could have been unbundled to Part B prior to October 1, 2000. The resulting amount is the unadjusted national 60-day episode rate.

(e) *Standardization of the data for variation in area wage levels and case-mix.* CMS standardizes—

(1) The cost data described in paragraph (a) of this section to remove the effects of geographic variation in wage levels and variation in case-mix;

(2) The cost data for geographic variation in wage levels using the hospital wage index; and

(3) The cost data for HHA variation in case-mix using the case-mix indices and other data that indicate HHA case-mix.

§ 484.220 Calculation of the adjusted national prospective 60-day episode payment rate for case-mix and area wage levels.

CMS adjusts the national prospective 60-day episode payment rate to account for the following:

(a) HHA case-mix using a case-mix index to explain the relative resource utilization of different patients. To address changes to the case-mix that are a result of changes in the coding or classification of different units of service that do not reflect real changes in case-mix, the national prospective 60-day episode payment rate will be adjusted downward as follows:

(1) For CY 2008, the adjustment is 2.75 percent.

(2) For CY 2009 and CY 2010, the adjustment is 2.75 percent in each year.

(3) For CY 2011, the adjustment is 2.71 percent.

(b) Geographic differences in wage levels using an appropriate wage index

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based on the site of service of the beneficiary.

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§ 484.225 Annual update of the unadjusted national prospective 60-day episode payment rate.

(a) CMS updates the unadjusted national 60-day episode payment rate on a fiscal year basis.

(b) For fiscal year 2001, the unadjusted national 60-day episode payment rate is adjusted using the latest available home health market basket index factors.

(c) For fiscal years 2002 and 2003, the unadjusted national prospective 60-day episode payment rate is updated by a factor equal to the applicable home health market basket minus 1.1 percentage points.

(d) For the last calendar quarter of 2003 and the first calendar quarter of 2004, the unadjusted national prospective 60-day episode payment rate is equal to the rate from the previous fiscal year (FY 2003) increased by the applicable home health market basket index amount.

(e) For the last the 3 calendar quarters of 2004, the unadjusted national prospective 60-day episode payment rate is equal to the rate from the previous fiscal year (FY 2003) increased by the applicable home health market basket minus 0.8 percentage points.

(f) For calendar year 2005, the unadjusted national prospective 60-day episode payment rate is equal to the rate from the previous calendar year, increased by the applicable home health market basket minus 0.8 percentage points.

(g) For calendar year 2006, the unadjusted national prospective 60-day episode payment rate is equal to the rate from calendar year 2005.

(h) For 2007 and subsequent calendar years, in the case of a home health agency that submits home health quality data, as specified by the Secretary, the unadjusted national prospective 60-day episode rate is equal to the rate for the previous calendar year increased by the applicable home health market basket index amount.

(i) For 2007 and subsequent calendar years, in the case of a home health agency that does not submit home