

HEALTH CARE PROVIDER ALERT

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CMS Announces Review Choice Demonstration for Home Health Services

By [John B. Waters](#), Counsel

On May 31, 2018, CMS announced its Review Choice Demonstration for Home Health Services (“Demonstration”), which revises and restarts its Pre-Claim Review Demonstration for Home Health Services that was paused on April 1, 2017.

No earlier than October 1, 2018, the Demonstration will begin in the state of Illinois and expand to Ohio and North Carolina, and later to Texas and Florida. The Demonstration will last five years. CMS has the option to expand to other states in the Palmetto/JM Home Health and Hospice Medicare Administrative Contractor jurisdiction if there is increased evidence of fraud, waste or abuse in these states during the five-year Demonstration period.

Home Health Agencies (HHAs) in states covered by the Demonstration will have to choose from one of three options: (1) pre-claim review, (2) postpayment review, or (3) minimal postpayment review with a 25% payment reduction for all home health services in the Demonstration states. If either of the first two options is selected, pre-claim or postpayment review will be required for every episode of care.

An HHA that selects pre-claim review must submit a request for provisional affirmation of coverage before a final claim for payment is submitted. However, it is not required to obtain pre-authorization before the services are provided. According to CMS, pre-claim review does not create any new documentation requirements.

Postpayment review will occur after the home health services have been provided. HHAs that select minimal postpayment review will receive a 25 percent payment reduction on all claims and may be subject to review by the Recovery Audit Contractors.

HHAs that select pre-payment review or postpayment review, as applicable, will continue to be subject to a review method until the HHA reaches the target affirmation or claim approval rate. Once a HHA reaches the target pre-claim review affirmation or post-payment review claim approval rate, it may choose to be relieved from claim reviews, except for a spot check of their claims to ensure continued compliance.

If you have any questions about this topic, please contact one of the listed Roetzel attorneys.

Ericka Adler, Manager
eadler@ralaw.com

Christina Kuta
ckuta@ralaw.com

Avery Delott
adelott@ralaw.com

John Waters
jwaters@ralaw.com

David Hochman
dhochman@ralaw.com