

The Centers for Medicare and Medicaid Services (CMS) published its proposed rule for replacing the home health Medicare Prospective Payment System (PPS) with the Patient-Driven Groupings Model (PDGM) effective January 1, 2020.

PDGM would require claims to be paid based on 30-day payment periods instead of 60-day episodes. The data below was published by CMS to help home health agencies estimate the number of payment periods and corresponding payment change under PDGM compared to PPS. All data other than the number of agencies has been rounded to the nearest thousand.

| Agency Characteristics | Number of Agencies | Actual 60-day PPS Episodes | Actual 60-day PPS Payment | Estimated 30-day Payment Periods | Estimated Payment Under PDGM | Estimated Payment Change Under PDGM |
|---------------------------------|--------------------|----------------------------|---------------------------|----------------------------------|------------------------------|-------------------------------------|
| All Michigan agencies | 507 | 190 | \$ 548,751 | 312 | \$ 526,442 | -4.1% |
| Freestanding agencies | 492 | 169 | \$ 495,615 | 282 | \$ 473,224 | -4.5% |
| Facility-based agencies | 15 | 21 | \$ 53,135 | 30 | \$ 53,218 | 0.2% |
| For-profit agencies | 443 | 121 | \$ 369,124 | 207 | \$ 343,663 | -6.9% |
| Government owned agencies | 9 | 6 | \$ 14,453 | 8 | \$ 13,926 | -3.6% |
| Non-profit agencies | 55 | 63 | \$ 165,173 | 96 | \$ 168,852 | 2.2% |
| Rural agencies | 46 | 23 | \$ 58,123 | 37 | \$ 60,327 | 3.8% |
| Urban agencies | 461 | 167 | \$ 490,627 | 275 | \$ 466,115 | -5.0% |
| Lowest nursing visits | 347 | 90 | \$ 287,330 | 151 | \$ 253,916 | -11.6% |
| Next lowest nursing visits | 80 | 54 | \$ 146,161 | 86 | \$ 147,604 | 1.0% |
| Second highest nursing visits | 64 | 44 | \$ 110,906 | 71 | \$ 119,568 | 7.8% |
| Highest nursing visits | 16 | 2 | \$ 4,354 | 3 | \$ 5,355 | 23.0% |
| All East North Central agencies | 2,012 | 783 | \$ 2,274,234 | 1,320 | \$ 2,249,386 | -1.1% |
| Freestanding agencies | 1,888 | 694 | \$ 2,034,200 | 1,183 | \$ 2,005,561 | -1.4% |
| Facility-based agencies | 124 | 89 | \$ 240,034 | 137 | \$ 243,825 | 1.6% |
| For-profit agencies | 1,657 | 512 | \$ 1,535,620 | 898 | \$ 1,501,550 | -2.2% |
| Government owned agencies | 62 | 15 | \$ 41,303 | 24 | \$ 40,730 | -1.4% |
| Non-profit agencies | 293 | 256 | \$ 697,311 | 398 | \$ 707,106 | 1.4% |
| Rural agencies | 250 | 89 | \$ 234,743 | 147 | \$ 236,930 | 0.9% |
| Urban agencies | 1,762 | 694 | \$ 2,039,491 | 1,173 | \$ 2,012,455 | -1.3% |
| Lowest nursing visits | 747 | 258 | \$ 838,620 | 431 | \$ 744,073 | -11.3% |
| Next lowest nursing visits | 452 | 288 | \$ 819,622 | 468 | \$ 818,267 | -0.2% |
| Second highest nursing visits | 395 | 175 | \$ 465,053 | 301 | \$ 502,603 | 8.1% |
| Highest nursing visits | 418 | 63 | \$ 150,939 | 120 | \$ 184,443 | 22.2% |

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