

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

PDGM requires 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.

Note: The data below **does not** account for a proposed reduction of 6.42% in 2020 payment rates for "behavioral adjustments."

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	199	\$ 573,825	325	\$ 549,631	-4.2%
Freestanding agencies	492	177	\$ 517,619	293	\$ 493,843	-4.6%
Facility-based agencies	15	22	\$ 56,207	32	\$ 55,788	-0.7%
For-profit agencies	443	127	\$ 384,890	216	\$ 359,108	-6.7%
Government owned agencies	9	6	\$ 15,010	8	\$ 14,398	-4.1%
Non-profit agencies	55	66	\$ 173,925	101	\$ 176,125	1.3%
Rural agencies	45	24	\$ 61,952	39	\$ 63,734	2.9%
Urban agencies	462	175	\$ 511,873	286	\$ 485,897	-5.1%
Lowest nursing visits	346	94	\$ 298,430	157	\$ 264,676	-11.3%
Next lowest nursing visits	81	57	\$ 155,068	91	\$ 155,699	0.4%
Second highest nursing visits	64	46	\$ 115,806	74	\$ 123,762	6.9%
Highest nursing visits	16	2	\$ 4,522	3	\$ 5,494	21.5%
All East North Central agencies	2,019	811	\$ 2,361,915	1,361	\$ 2,331,364	-1.3%
Freestanding agencies	1,898	719	\$ 2,112,194	1,221	\$ 2,079,891	-1.5%
Facility-based agencies	121	92	\$ 249,722	141	\$ 251,473	0.7%
For-profit agencies	1,665	529	\$ 1,591,636	925	\$ 1,558,167	-2.1%
Government owned agencies	62	16	\$ 43,278	25	\$ 42,497	-1.8%
Non-profit agencies	292	265	\$ 727,001	412	\$ 730,699	0.5%
Rural agencies	247	92	\$ 246,963	150	\$ 247,484	0.2%
Urban agencies	1,772	719	\$ 2,114,953	1,211	\$ 2,083,880	-1.5%
Lowest nursing visits	751	263	\$ 856,341	438	\$ 760,246	-11.2%
Next lowest nursing visits	453	304	\$ 868,432	493	\$ 863,085	-0.6%
Second highest nursing visits	395	180	\$ 483,163	309	\$ 519,731	7.6%
Highest nursing visits	420	64	\$ 153,981	121	\$ 188,302	22.3%

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