

PUBLIC USE FILE:

DATA USED IN CALCULATION OF REBASED MEDICARE HOME HEALTH PAYMENT RATES

June 21, 2013

In calculating the average costs per visit for rebasing home health payment rates we used data from multiple sources: the FY2011 hospital and freestanding home health agency cost reports, the CY2011 Medicare home health claims file, and the 2012 Provider of Services (POS) file. Specifically, we used costs and visit information to calculate providers' average cost per visit for the six home health labor disciplines and the home health agencies' number of HH PPS episodes (used to determine the "size" of providers for weighting purposes) from a subset of the FY2011 cost reports, which met data quality criteria. Home health claims data on visit and episode counts along, with the POS data on provider type and urban/rural location, were used to determine the national distribution of visits and episodes by provider type, size, and urban/rural location. Home health agencies in the subset of cost reports were then weighted such that the costs per visit averages were nationally representative along the three dimensions—provider type, size, and urban/rural location. Detailed descriptions of the cost-report selection methodology and development of the weighting procedure are available in the "Analyses in Support of Rebasing & Updating the Medicare Home Health Payment Rates" Technical Report, available at <http://www.cms.gov/Center/Provider-Type/Home-Health-Agency-HHA-Center.html>.

As described in the Technical Report, one of the steps in the cost report selection process cross-references sequential reports from the same provider over time. However, because some providers have multiple reports in the same FY, sorting by provider and FY does not lead to a unique ordering of cost reports for these restrictions. For this reason, the public use file includes information for calculating the weighted costs per visit averages used in rebasing.

The provided public use file includes data on the subset of providers, including the Centers for Medicare & Medicaid Services (CMS) certification number (CCN), episode count grouping, and costs per visit for each discipline from the cost reports; the provider type and urban/rural location of providers as determined from the POS; and the provider-specific weight used in calculating the weighted average cost per visit for each discipline. The weighted average costs per visit per discipline can be replicated using the providers' costs per visit listed in the file. In order to calculate the weighted average for each discipline: (1) multiply each provider's average cost per visit by the provider's weight; (2) sum the products from step one over all providers; (3) sum the weights for the discipline over all providers; (4) divide step 2 by step 3 to calculate the weighted average costs per visit per discipline. Alternatively, standard statistical packages commonly allow for weights to be used when calculating means.

Appendix A: Public use file variable names (in *italics*) and source descriptions for 2011

- *provider*: character variable for the CCN listed on the cost report.
- *provider_type*: character variable describing whether the provider is a freestanding non-profit, freestanding for-profit, freestanding government, or facility-based provider as denoted using the control type and facility type variables on the POS.

- *episode_count*: a character variable denoting the number of HH PPS episodes recorded on the cost report; values listed are ‘Less than 95’, ‘95 to 249’, ‘250 to 499’, ‘500 to 999’, or ‘1,000 or more’
 - sum of values on the hospital cost report sheet S4, column 5, rows 36 and 37;
 - sum of values on the freestanding HHA cost report sheet S3 part IV, column 7, rows 45 and 46.
- *urban_rural*: character variable indicating whether the provider is located in a CBSA (‘Urban’) or not (‘Rural’) as recorded on the POS.
- *fy_start_dt* and *fy_end_dt*: the starting and ending dates of the cost report period.
- *SN_cost_per_visit*, *PT_cost_per_visit*, *OT_cost_per_visit*, *SLP_cost_per_visit*, *MSS_cost_per_visit*, *HHA_cost_per_visit*: the provider’s average cost for one visit for skilled nursing, physical therapy, occupational therapy, speech language pathology, medical social service, and home health aide as calculated on the cost report, respectively;
 - Costs
 - Hospital cost report sheet H2, column 28, rows 2-7;
 - Freestanding HHA cost report sheet B, column 6, rows 6-11;
 - Visits
 - Hospital cost report sheet H3, column 4, rows 1-6;
 - Freestanding HHA cost report sheet S3, column 5, rows 1-6;

provider_weight_SN, *provider_weight_PT*, *provider_weight_OT*, *provider_weight_SLP*, *provider_weight_MSS*, *provider_weight_HHA*: provider’s discipline-specific weight used in calculating the weighted average cost per visit.