

VALUE

THE HUMAN, CLINICAL AND
FISCAL VALUE OF MEDICARE'S
HOME HEALTHCARE BENEFIT



Partnership for
Quality Home
Healthcare

THERE'S NO PLACE LIKE HOME

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■ Overview of Medicare's Home Healthcare Benefit

What Is Home Healthcare?

Home healthcare agencies provide services to nearly 3.5 million Medicare beneficiaries who are homebound and require care to treat illnesses related to acute, chronic or rehabilitative needs. Medical care that was once offered only in a hospital or a clinical setting can now be safely and effectively provided in a patient's home by skilled healthcare professionals. Data show that home healthcare is less expensive, but just as clinically effective, as care provided in an inpatient healthcare facility.

CARE AT HOME

- *Cardiac & Pulmonary Care*
- *Neurological Rehabilitation*
- *Intravenous (IV) Therapy*
- *Wound Care*
- *Pain Management*
- *Chronic Disease Care*
- *Medication Management*
- *Physical Therapy*

"The home health benefit provides a valuable service to beneficiaries and the Medicare program, particularly when it is an element of an efficient coordinated care delivery system."

- MedPAC Report

■ COST EFFECTIVE

Home healthcare can reduce healthcare costs by managing disease and preventing hospitalizations

- The average cost of care in a skilled nursing facility is \$449 per day or \$26,940 for a 60 day stay compared to \$2,674 for a 60 day home health episode.¹
- The Veterans Administration reduced health spending by 24% using in-home interdisciplinary care.
- Home health helps prevent avoidable hospital readmissions through better care transitions and effective management of chronic conditions.²

■ CLINICALLY ADVANCED

Home healthcare effectively manages chronic conditions and provides post-acute care

- An estimated 1.1 million medical professionals including registered nurses, licensed practical nurses, home healthcare aides and other practitioners provided home healthcare to patients.
- Home healthcare provides patients with the same quality therapy, wound care and skilled nursing that is found in hospitals or institutional settings.

■ PATIENT PREFERRED

Home healthcare allows patients to receive care with dignity in the comfort of home

- Nearly 90 PERCENT of American seniors say they want to age in place and remain in their home.³
- In the absence of home-based care, many seniors, especially those in rural areas, will have no choice but to seek care in institutional settings.

1. Home Health Chartbook 2018: Avalere Health, September 2018

2. Clinically Appropriate and Cost Effective Placement Project. Baseline Statistics of Patient Pathways by Episode Type for Select MS-DRGs and Chronic Conditions. May 2012.

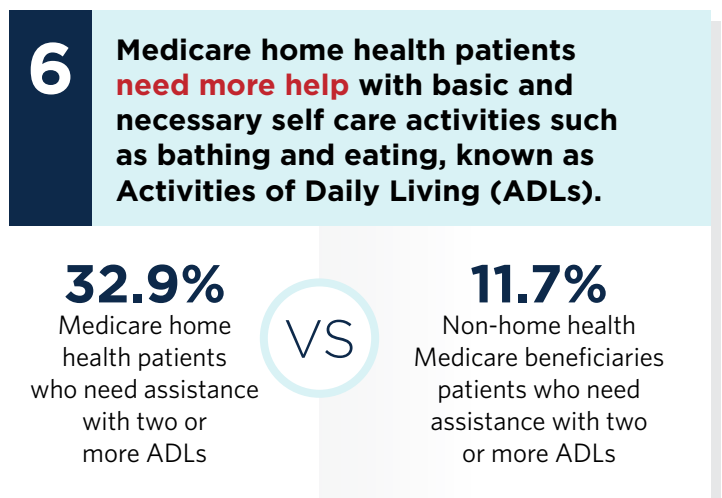
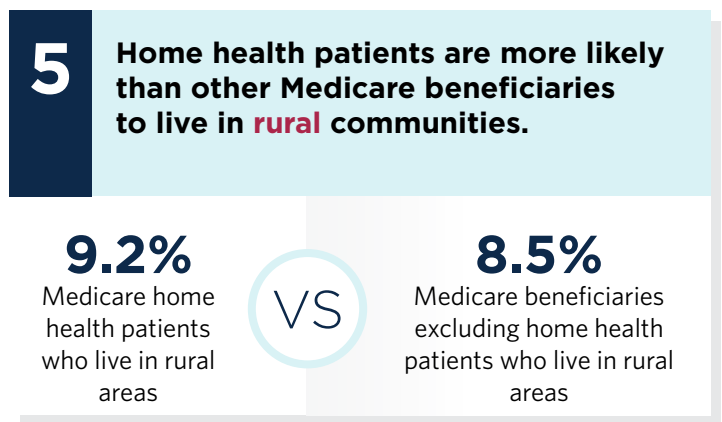
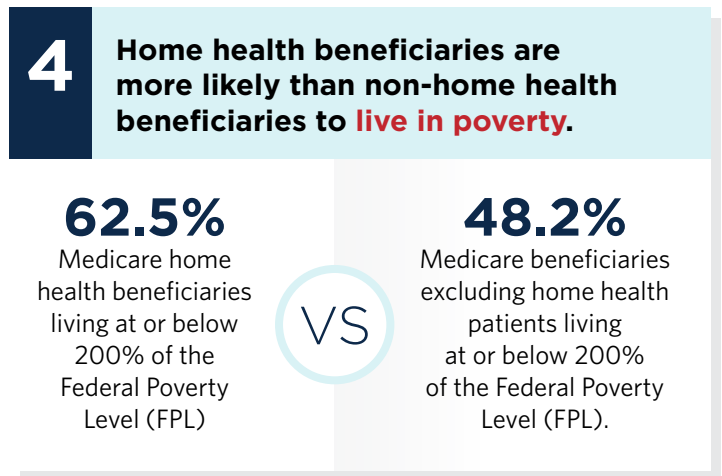
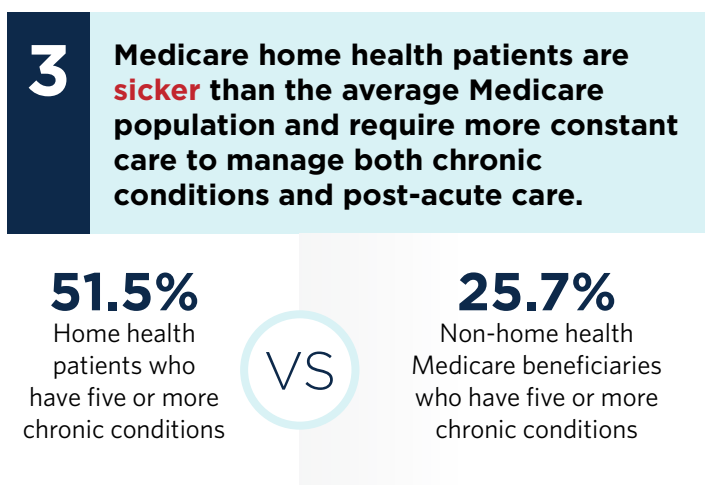
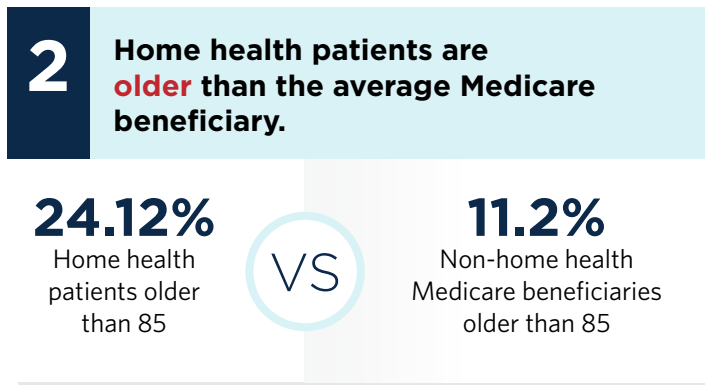
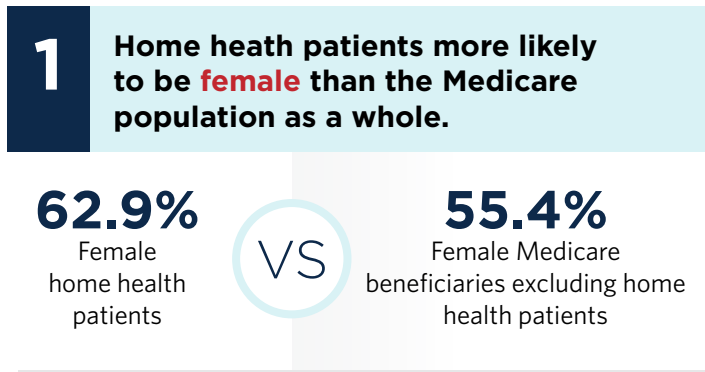
3. Clarity/PrinceMarketResearch2007AgingInPlaceStudy.Retrievedfrom<http://www.marketingcharts.com/direct/seniors-fear-loss-of-independence-nursing-homes-more-than-death-2343/clarity-aging-in-place-importance-living-independently-seniorsjpg>

Who Receives Home Healthcare?

Medicare's Vulnerable Home Health Population

Analyses of federal data by Avalere Health reveal that the Medicare home health benefit is particularly important to women and vulnerable seniors. The Medicare program's 3.5 million home health beneficiaries are older, sicker, and poorer than all other beneficiaries. Data also show home health

beneficiaries are more likely to be female, a minority, and/or disabled and that women constitute the majority of home health beneficiaries.



Partnership for Quality Home Healthcare

THERE'S NO PLACE LIKE HOME

The Partnership is dedicated to strengthening the quality, integrity and sustainability of home health services for America's senior citizens.

Partnership members operate in communities nationwide and proudly serve nearly **1-in-5 Medicare beneficiaries...**

BENEFICIARY COUNT

673,990
19.28% of US

VISITS OF CARE

20,057,687
18.31% of US

AVERAGE AGE

76.5
vs. 76 for US

Dobson DaVanzo & Associates Analysis of Medicare Claims Data, 2015

...And strive for exceptional value by delivering **high-quality, low-cost care.**

EPISODES PER BENEFICIARY

1.78
vs. 1.93 of US

EPISODES PER BENEFICIARY

7.87
Below US

30-DAY REHOSPITALIZATION

2.66%
Below US

Dobson DaVanzo & Associates Analysis of Medicare Claims Data, 2015

■ The Human, Clinical and Fiscal Value of Home Health

Adding Human, Clinical and Fiscal Value to America's Healthcare Delivery System

Home healthcare providers are leading the charge on value reforms in the post-acute care community. Below is a snapshot on how home health providers reward value over volume, improve patient outcomes and reduce costly hospital readmissions while serving one of Medicare's most vulnerable patient populations:

BY THE NUMBERS

The Human Value of Home Health

HOME HEALTH BENEFICIARIES¹

24.5% Older than age 85

51.5% Live with five or more chronic conditions

62.5% Live at or below 200% of the Federal Poverty Level

The Fiscal Value of Home Health

COST SAVINGS PER BENEFICIARY

\$5,411

Savings when home health is the first post-acute care setting utilized after a patient receives a major joint replacement²

The Clinical Value of Home Health

REDUCING HOSPITAL ADMISSIONS & READMISSIONS

Patients in high quality home health and home-based care programs have experienced:

26% fewer acute care hospitalizations³

59% fewer hospital bed days⁴

19-30% total medical cost savings⁵

Home-Based Care Model of Success

U.S. DEPARTMENT OF VETERANS AFFAIRS HOME BASED PRIMARY CARE (HBPC) PROGRAM

62% Reduction in inpatient hospital days achieved

88% Reduction in nursing home days

24% Reduction in TOTAL COSTS to the VA achieved through the HBPC program

1 Medicare Beneficiary Analysis: Key Differentiating Characteristics of Medicare Home Health Beneficiaries, Avalere Health, September 2018

2 Clinically Appropriate and Cost Effective Placement Project. Creating and Benchmarking Episodes: Baseline Statistics of Episode Frequency and Patient Diagnoses. April 2012.

3 Shaughnessy et al., "Improving Patient outcomes of Home Health Care: Findings from Two Demonstration Trials of Outcome-Based Quality Improvement", Journal of the American Geriatrics Society, 50:1354-1364 (2002)

4 Beales JL & Edes T., "Veteran's affairs home based primary care", Clin. Geriatr. Med. 25: 149-154 (2009).

5 Kaye S. et al., "Do noninstitutionalized long-term care services reduce Medicaid spending?", Health Affairs 28(1): 262-272 (2009); Cyer L. et al., "Costs for 'Hospital at Home' patients were 19 percent lower, with equal or better outcomes compared to similar inpatients", Health Affairs 31(6): 1237-1243 (2012); Frick KD et al., "Substitutive hospital at home for older persons: effects on costs", American Journal of Managed Care 15(1): 49-56 (2009)

RESOURCES

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