MEDICARE HOME HEALTH SERVICES

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HOME HEALTH BASICS

- Original benefit in Medicare 1965
- Unlimited, part-time or intermittent in-person visits
  - Skilled nursing
  - Physical and occupational therapy
  - Speech-language pathology
  - Medical Social Services
  - Home Health Aide Services
  - Medical equipment and medical supplies
- No beneficiary cost sharing except “durable medical equipment”
- No prior hospitalization-requirements
- Available under Medicare FFS Part A and Part B along with Medicare Advantage Part C

Conditions of Payment

- Care provided by a Medicare Participating Home Health Agency
- Under a Plan of Treatment established by a physician or qualified non-physician practitioner
- Subject to a physician or practitioner “face-to-face encounter”
- Individual must be “homebound” (not literal)
- Individual must be in need intermittent skilled nursing care, physical therapy, speech-language pathology, or have a continuing need for occupational therapy
    - Other services are considered “dependent” on “skilled” care need

Notable Interpretive Elements of Coverage

- Individual may have acute or chronic care, short-term or long-term needs
- Care may be curative, rehabilitative, maintenance, end-of-life, or palliative. The issue is whether there is a need for the skills of health care professionals
- “Homebound” = a normal inability to leave the home without the assistance of another person or devices or that leaving the home is a considerable and taxing effort or is medically contraindicated
  - Leaving the home doers not automatically disqualify the individual
- Family and friends are not obligated to provide care

Beneficiary Demographics

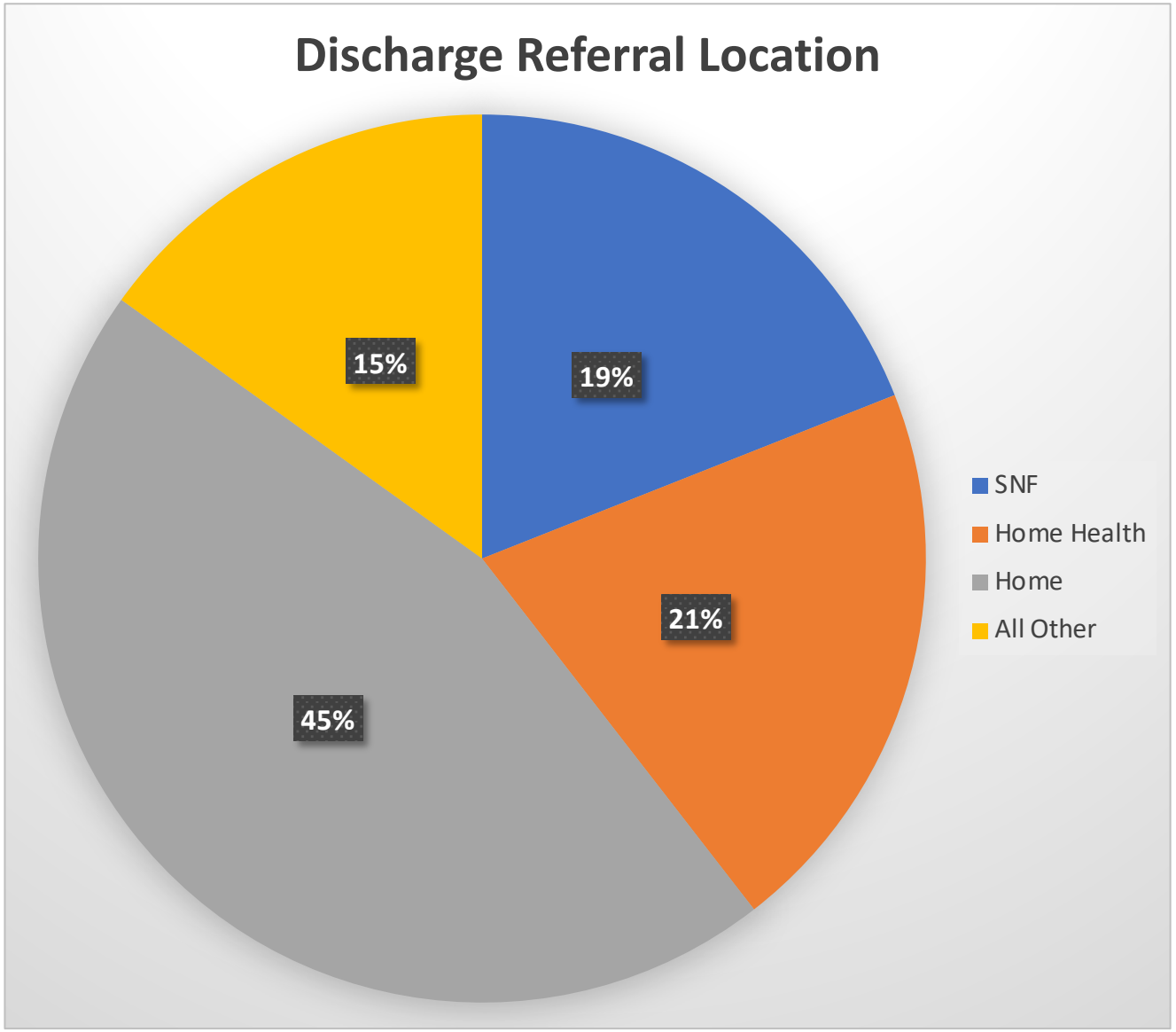
- Wide range of primary diagnoses
  - Circulatory, respiratory, musculoskeletal, infectious, digestive, kidney and urinary tract, nervous system, endocrine, nutritional, and metabolic, skin, and hepatobiliary, and behavioral
- All ages and disabilities
- Post-acute and community admissions
- Short-term and long-term length of care (not a long-term care program centered on personal care supports)
- High-tech services are part of the care, but without reimbursement
  - Telehealth virtual visits
  - Remote Patient Monitoring

By the Numbers (2022)

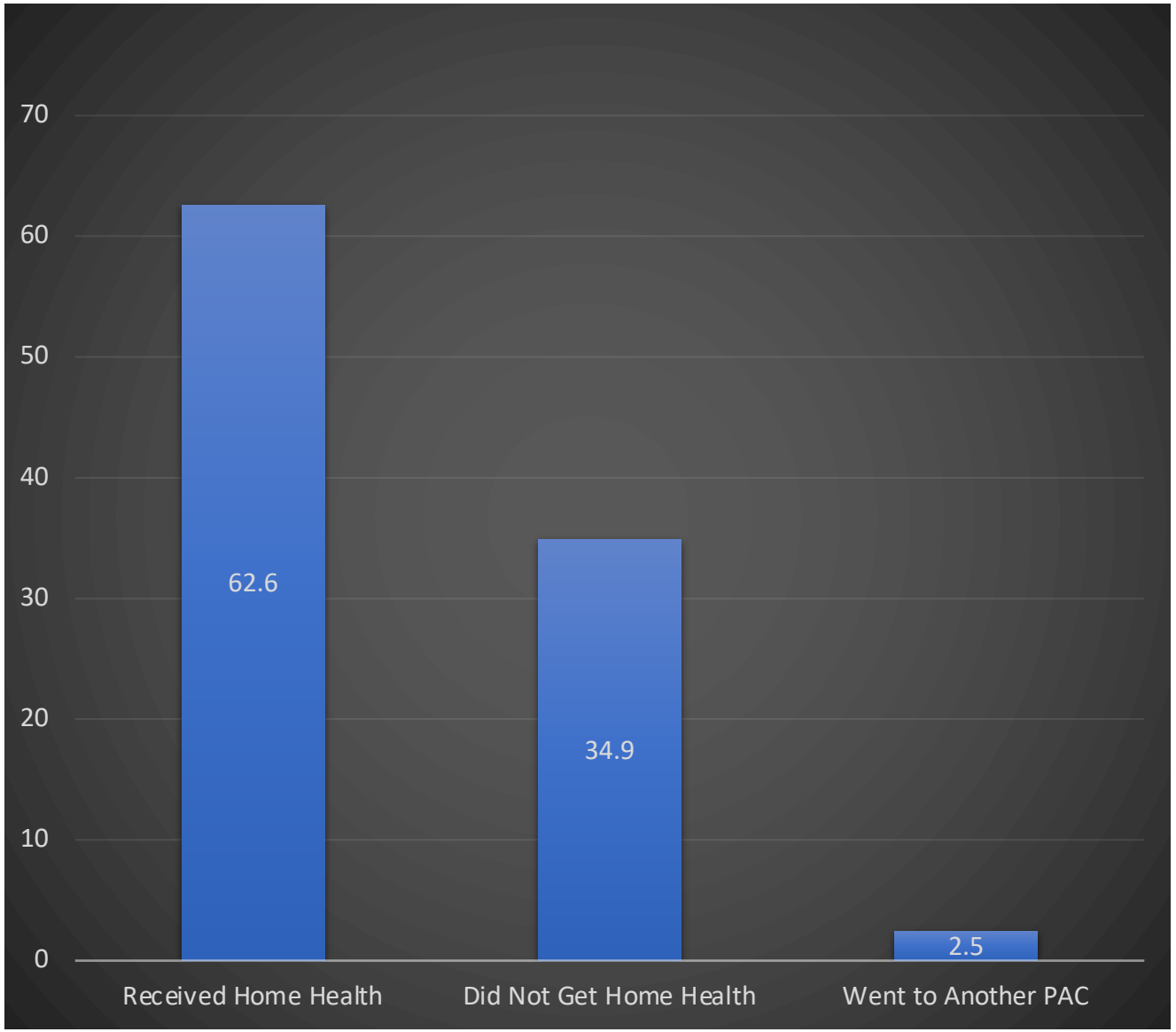
- 2.8 Million Traditional Medicare users
  - Declining since 2016 (3.5 million)
- 8.0% of Traditional Medicare population (declining)
- 8.6 Million 30-day Periods of Care (declining)
- 8.6 average number of visits per 30-day period (declining)
- $16.1 Billion Traditional Medicare spending (declining)
- 11,353 active HHAs (declining)

- CMS Expanded HHVBP Nationwide--$3.4B Savings Expected Through Reduced Hospitalization (in jeopardy?)

In 2022, One Fifth of All Medicare FFS Hospital Discharges Were Referred to Home Health

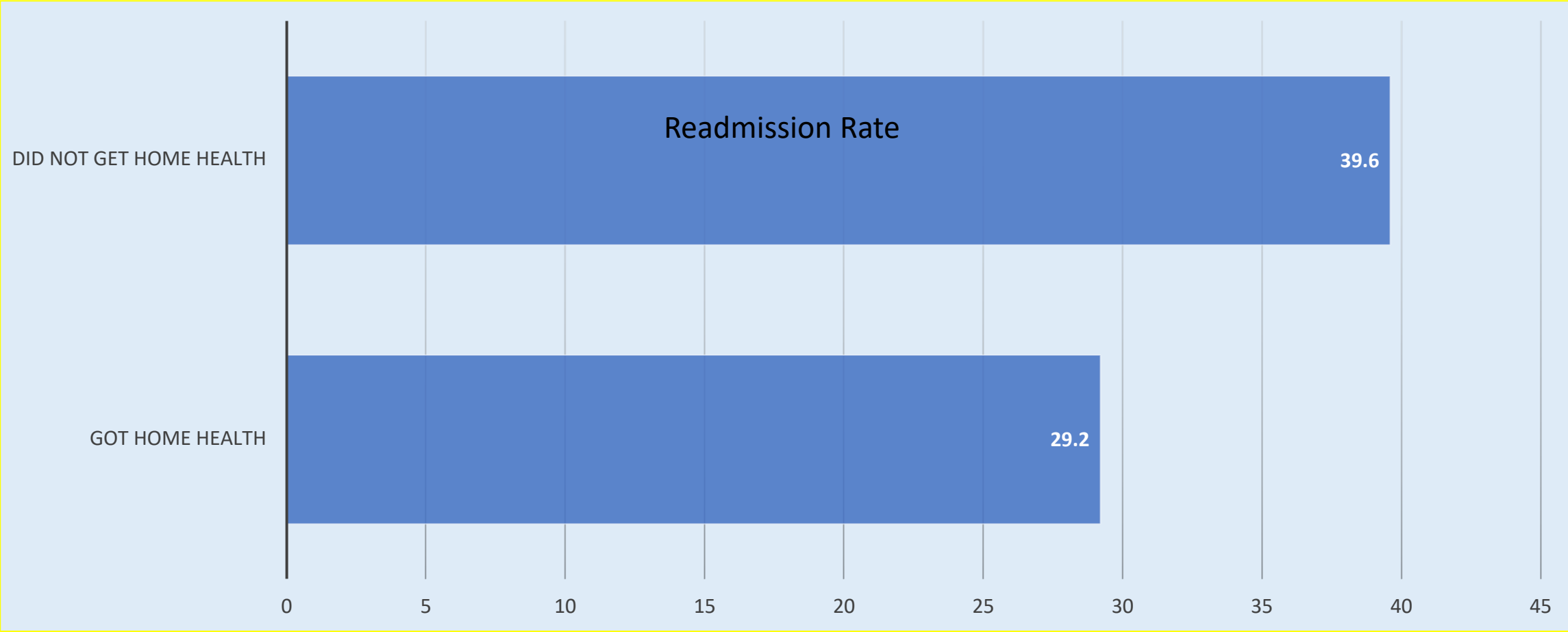


However, 35% of Those Patients Did Not Get Home Health Within Seven Days of Discharge

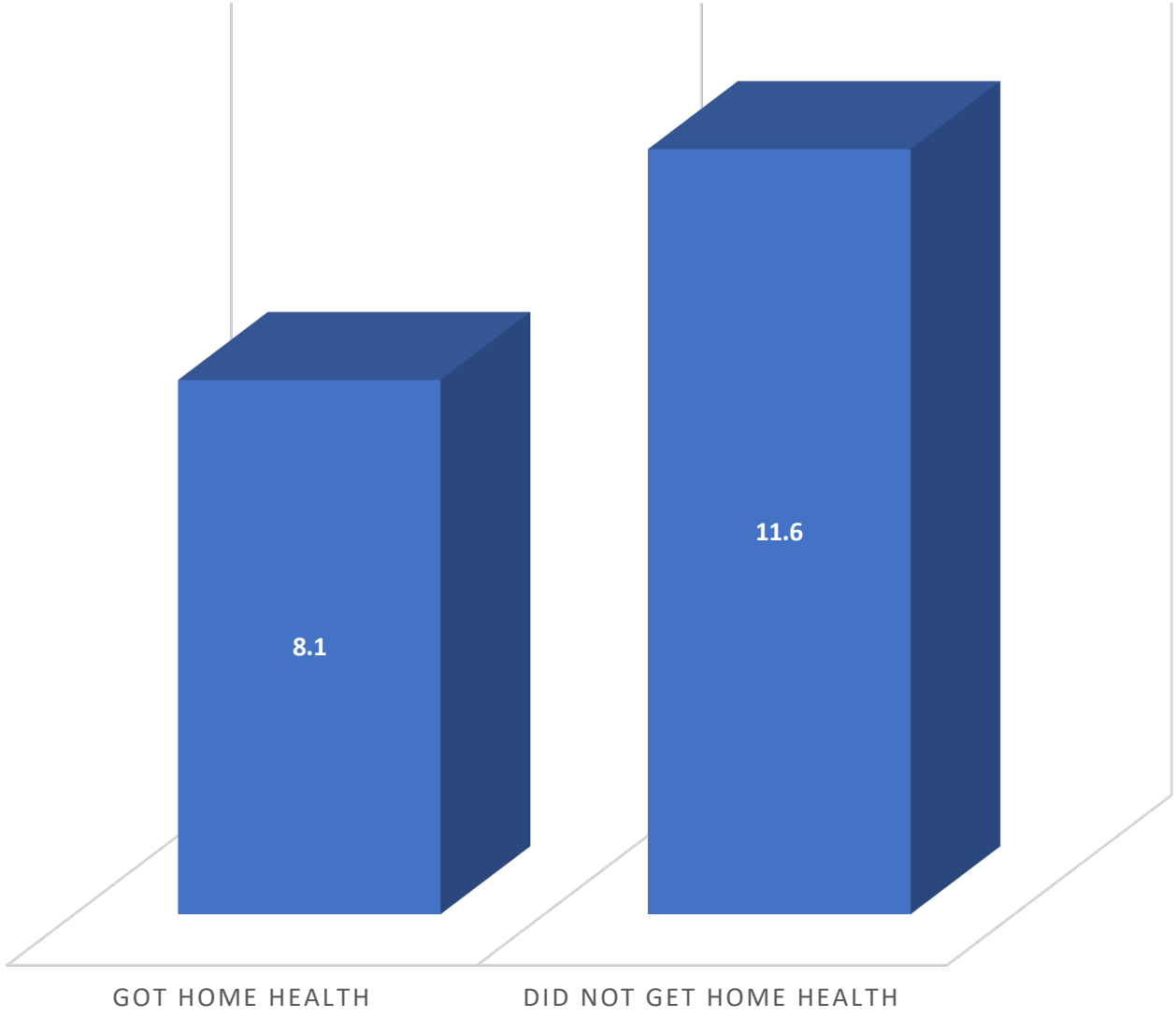


Percent of Patients Referred to Home Health at Hospital Discharge

Patients That Received Home Health Were Readmitted 36% Less

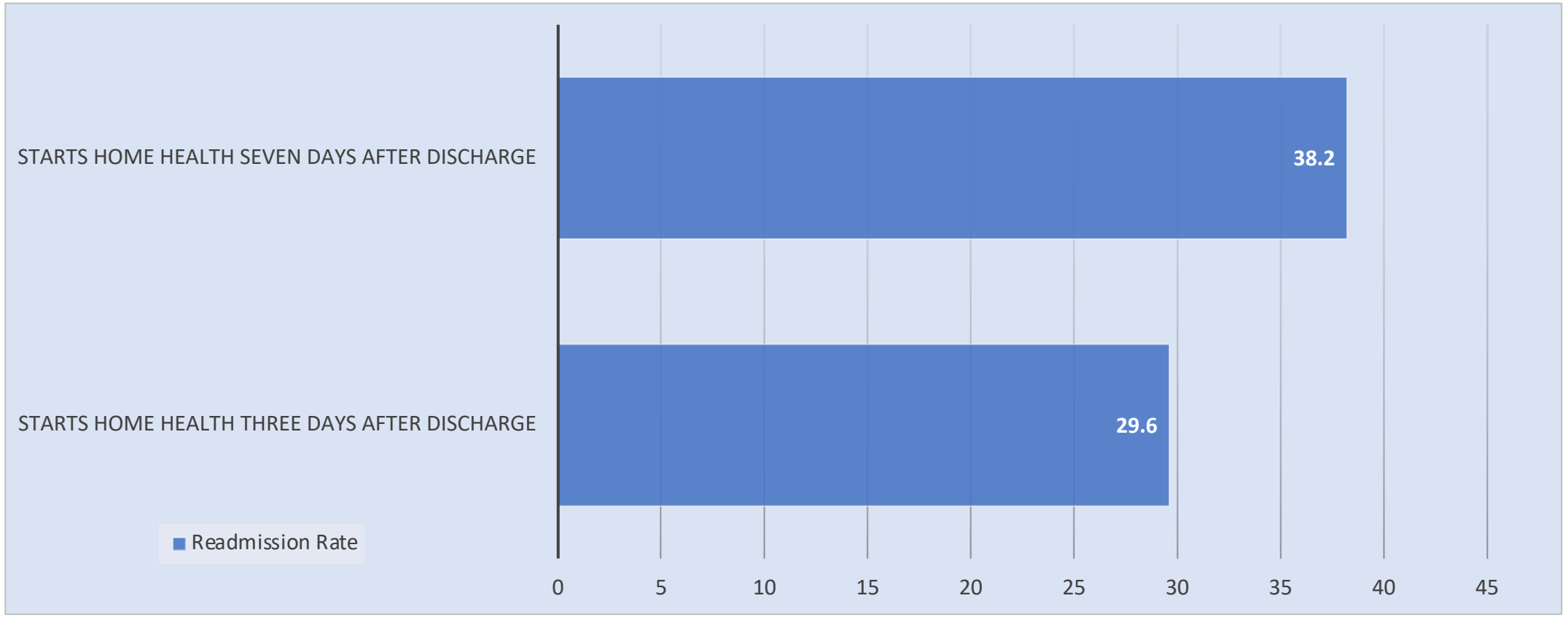


Patients Referred to Home Health at Discharge, But Did Not Receive Home Health Within Seven Days – Die at a 43% Higher Rate

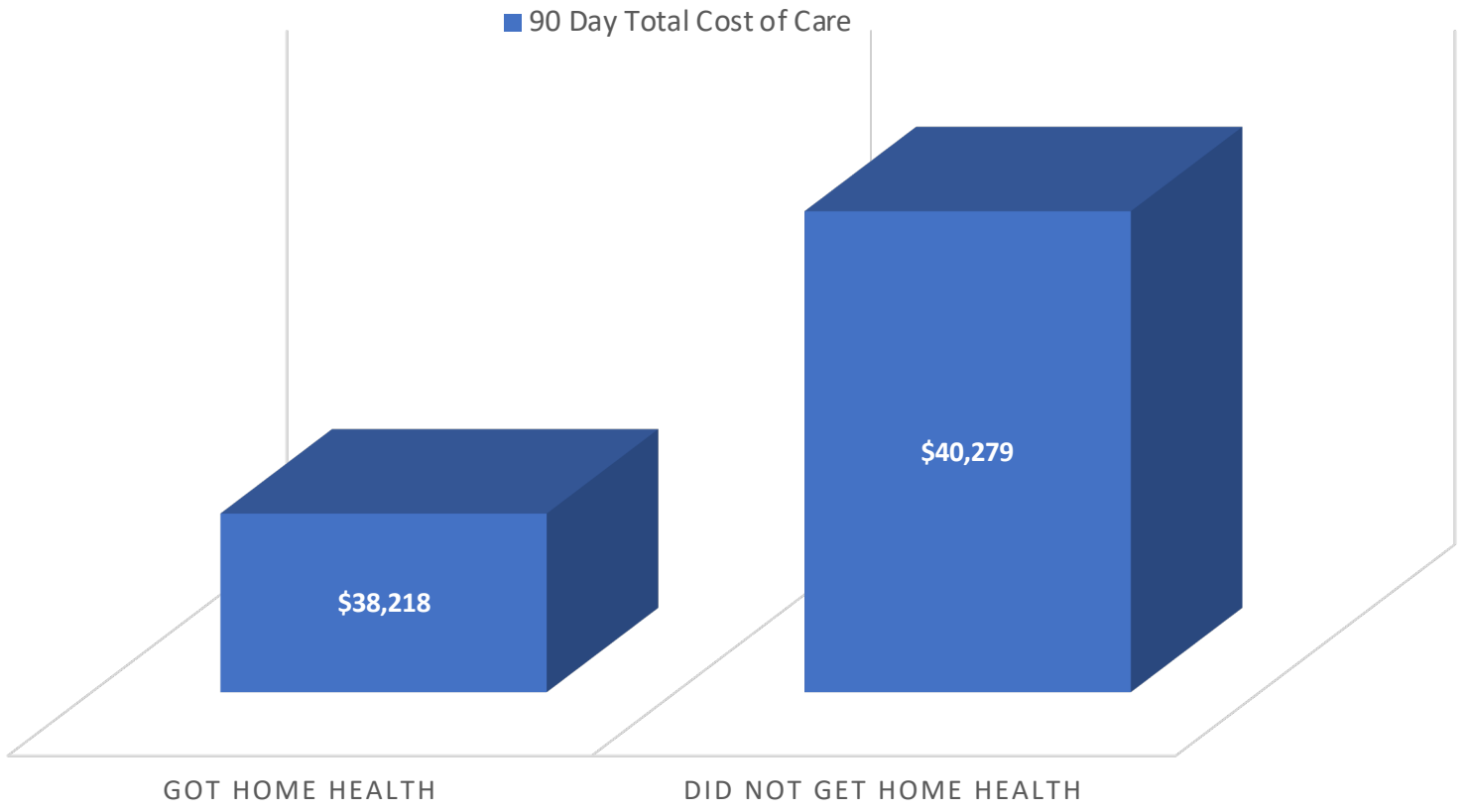


Mortality Rate – Percent of Patients that Die within 90 Days of Discharge

For Patients that Get Home Health After Hospital Discharge – Time to First Visit Matters. Patients that Start Care Seven Days After Discharge Are Readmitted 29% More Compared to Those With a Start of Care at Day Three After Discharge.



Patients Referred to Home Health at Discharge, But Did Not Receive Home Health, Cost 5.4% More After 90 Days Than Those Who Get Home Health



Comparison of Care Settings

	1997	2000	2010	2019	2021
Hospitals		4647	3510	3283	3506
Users (discharges)	11.53M	11.58M	12.3M	9.28M	8.78M
Per Discharge Payment	$7,021	$7,021	$9,611	$12,890	$15,728
Skilled Nursing Facilities		14,841	15,084	15,109	14,908
Users	1.90M	1.94M	2.54M	1.62M	1.40M
Per Patient Payment	$5,077 (1999)	$5511	$10,808	$12,123	$14,385
Home Health Agencies	10,917	7,100	10,914	11,157	11,353
Users	3.56M	2.46M	3.43M	3.28M	3.02M
Per Patient Payment	$4,704	$2,936	$5,688	$5,440	$5,590

CURRENT CONCERNS

- Patient Driven Groupings Model (PDGM)
  - 30-day episodic payment bundle
  - Began 1/1.2020
  - 432 Patient Case Mix Categories
  - Required to be Budget Neutral
- 13.72% rate reduction since 2019
- Additional $3.4B “Clawback” in play
- Adjustments continue through CY2026
- Estimated 48% of HHA with overall negative operating margins in 2024
- HHA closures and reductions in service areas and services underway
- >50% of patient referral rejected by HHAs due to inadequate staff

CONGRESSIONAL ACTION

- H.R. 5159 Preserving Access to Home Health Services Act of 2023
  - https://www.congress.gov/bill/118th-congress/house-bill/5159?q=%7B%22search%22%3A%22HR5159%22%7D&s=2&r=1
- 44 Cosponsors (19 R; 25 D)
  - Terri Sewell (D-AL)
  - Adrian Smith (R-NE)
- S. 2137 Senate companion bill
  - Debbie Stabenow (D-MI)
  - Susan Collins (R-ME)