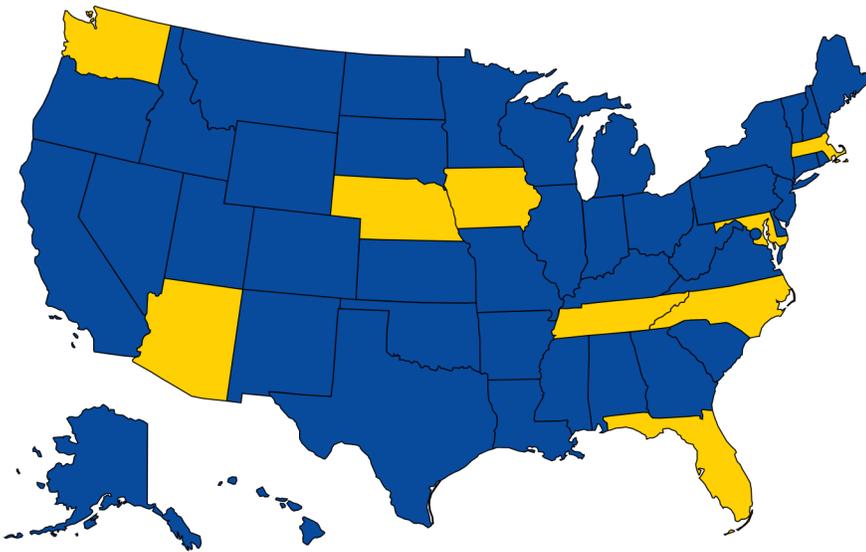


## MODEL OVERVIEW

The Home Health Value-Based Purchasing (HHVBP) Model provides financial incentives to home health agencies for quality improvement based on their performance relative to other agencies in their state. The goal of the Model is to improve the quality and efficiency of delivery of home health care services to Medicare beneficiaries. Nine states were randomly selected to participate in the HHVBP Model starting on January 1, 2016. Home health agencies (HHAs) in these states receive performance scores for individual measures of quality of care that are combined into a Total Performance Score (TPS) to determine their payment adjustment relative to other agencies within their state.

Agency TPS scores in 2016 were used to adjust their Medicare payments by up to +/- 3% in 2018, while TPS scores for 2017 determine payment adjustments of up to +/- 5% in 2019. The maximum payment adjustment will increase during each subsequent year of the Model, reaching a maximum of +/- 8% in 2022. This document summarizes the impact observed in 2016 and 2017, the first two years of the Model, before the payment changes took effect.



In 2017, there were approximately 2,000 HHAs in the nine HHVBP states, representing 18% of all HHAs and 1.4 million home health episodes in the U.S.

## PARTICIPANTS

All Medicare-certified home health agencies providing services in the following states were included in the HHVBP Model:

- Arizona
- Florida
- Iowa
- Maryland
- Massachusetts
- Nebraska
- North Carolina
- Tennessee
- Washington

## FINDINGS



### MEDICARE SPENDING

There was a reduction in **total Medicare spending** in HHVBP states during and 30 days after home health episodes of care as measured by the average spending per day among fee-for-service (FFS) beneficiaries receiving home health services:

 **0.9%** **\$114 million** reduction in annual Medicare spending, 2016-2017

There was a reduction in annual Medicare spending for **unplanned hospitalizations** among FFS beneficiaries during home health episodes:

 **3.9%** **\$88 million** reduction in annual Medicare spending, 2016-2017

### HOME HEALTH AGENCY OPERATIONS

HHAs report focusing on using their internal data to prioritize and design quality improvement activities. There was a strong and consistent emphasis on staff training to improve OASIS documentation. Many of these activities represented incremental expansion of efforts pre-dating the HHVBP Model.

HHA survey results point to relatively consistent priorities for quality improvement between agencies in HHVBP and non-HHVBP states.



### QUALITY AND UTILIZATION

Early results suggest modest gains in quality of care due to HHVBP:

 **Total Performance Scores** were 7% higher among HHAs in HHVBP states than HHAs in non-HHVBP states in 2017.

 Somewhat greater gains in **functional improvement** among home health patients in HHVBP states for most of the measures tested, such as the ability of beneficiaries to walk safely or use a wheelchair, to get in and out of bed, and to independently bathe.

 Somewhat greater gains in certain **process and outcome measures**, such as pneumococcal vaccinations and oral medication management.

There was no measurable impact of HHVBP on **beneficiary experience** with care.

In HHVBP's first two years, declines occurred in the utilization of some but not all types of services among FFS beneficiaries:

 Somewhat greater declines in **unplanned hospitalizations** and **skilled nursing facility use** among FFS beneficiaries receiving home health care.

 Somewhat greater increases in **emergency department use** among FFS beneficiaries receiving home health care.

## KEY TAKEAWAYS

Through the first two performance years of the HHVBP Model (2016-2017), a reduction in the growth in Medicare spending and modest improvements in certain aspects of utilization and quality were observed. Home health agencies did not report that the HHVBP Model had a broad overall impact on their operations or their quality improvement activities. It will be important to evaluate the impact of HHVBP on quality and Medicare spending once the initial payment adjustments took effect during 2018 and as the maximum adjustments become larger each year through 2022.