Value-Based Purchasing

The New Reality for
Home Health Agencies
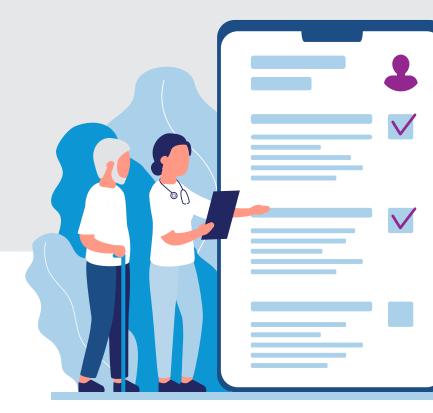
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Introduction

For years, value-based purchasing has been a much-discussed topic in the home healthcare industry. Now, as the Centers for Medicare and Medicaid Services (CMS) prepare to roll out a Home Health Value-Based Purchasing (HHVBP) Model nationwide, agencies are confronting the realities of what the new system means for their organizations, their patients and employees, and their reimbursement. Beginning on January 1, 2023, all Medicare-certified home health agencies are required to participate in the new purchasing model.

Simply put, HHVBP links payments to performance, rewarding home health agencies for the quality of their patient outcomes rather than the quantity of services provided. The overarching goals of the new payment system are to reduce readmissions, improve service delivery and reduce costs.

A CMS pilot program beginning in 2016 yielded encouraging results toward reaching those goals. Conducted in nine states, the program led to an average 4.6% improvement in the quality scores of home health agencies. From 2016-2020, overall Medicare spending declined by $949.2 million for beneficiaries receiving home health services in those nine states. These positive numbers directly influenced the decision to expand the HHVBP model beginning in 2023 to all 50 states, all U.S. territories and Washington, D.C.

How the HHVBP Model works

Under the new purchasing model, it will be more important than ever for home health agencies to deliver quality patient outcomes, operate with the utmost efficiency and receive excellent scores for patient satisfaction. As seen in Table 1, a variety of measures— from acute care hospitalizations to management of oral medications to patient communication—will be used to evaluate the operations of each home health agency, resulting in a Total Performance Score (TPS).

The TPS is comprised of three types of measures:

Claims-based.

This type of measure, which includes acute care hospitalization and emergency department use, will have the biggest impact on an agency's TPS.

OASIS.

Another major component in determining the TPS will be data from the Outcome and Assessment Information Set (OASIS). This includes measures like dyspnea, management of oral medications and the Total Normalized Composite Change (TNC) in self-care and mobility.

HHCAPS.

Patient satisfaction, as determined by Home Health Consumer Assessment of Healthcare Providers and Systems (HHCAHPS) surveys, will also play a prominent role in calculating an agency's composite score.

Once the TPS is calculated, each home health agency's score will be measured against agencies nationwide to determine how well it is performing. Agencies with higher TPS scores relative to its peers will receive a maximum 5% payment increase, while agencies with lower scores in relation to the competition will potentially receive up to a 5% cut in payments. In this era of low margins in home health care, these payment adjustments are certain to have a big effect on annual financial results.

While the first full performance year for the expanded HHVBP Model will be 2023, CMS will use 2022 results as a baseline to determine if the agency shows improvement compared to national cohorts. The first payment year will be 2025, with adjustments determined by TPS scores based on 2023 results.

According to CMS, the new HHVBP Model is expected to deliver savings of $3.376 billion from 2023 to 2027.

Recommendations for improved performance

Clearly, now is the time for every home health agency to make plans to adapt to the new purchasing model, examine its own practices and processes, and make improvements to provide the highest quality of care possible. Adopting these recommendations could help agencies deliver more efficient care and achieve higher performance scores:

1. **Focus on measures with the greatest impact.** By a large margin, acute care hospitalization rates will have the biggest influence on an agency's TPS. Home health agencies should concentrate most of their efforts in this area by taking a coordinated team approach to patient care and ensuring that patients clearly understand their post-hospitalization instructions.

2. **Identify high-risk patients.** Readmissions can also be reduced by making everyone on the care team aware of the patients who are at higher risk, as well as the reasons why they are at risk—from the possibility of falls to poor medication management. Greater attention to these patients can help an agency dramatically reduce readmissions and/or visits to the ED, and therefore lift the TPS.

3. **Develop specific, written plans to improve outcomes.** Everyone in the agency should understand the ramifications of the new purchasing model and be working toward the same goals. Agencies should consider creating a written document that clearly delineates the steps to be taken to improve scores in specific areas. This can become an adjunct to the organization's existing Quality Assurance and Performance Improvement (QAPI) program. The plan should assign responsibilities for each initiative, create timetables to follow up on tasks and set clear due dates.

4. **Front-load and stagger patient visits.** IN the HHVBP pilot, CMS saw evidence that agencies with lower hospitalization rates tended to front-load their patient visits in the home. Seeing patients with greater regularity soon after discharge and then staggering visits from different team members thereafter can be a very successful care strategy. Interdisciplinary collaboration is the key to achieving the best possible outcomes.

5. **Accurately document patient status.** OASIS measures will be responsible for a full 35%of an agency's TPS. To achieve higher scores, team members should document accurately the social, functional and clinical status of the patient at the required time points.

6. **Review everyday customer service practices.** Through HHCAHPS, patients will complete surveys to measure their satisfaction with the quality of care. It will be critical for agencies to implement processes to effectively manage requests and changes in patient status. When abnormal signs and symptoms appear, physicians should be immediately contacted to set up in-person or virtual visits. When patients contact the agency, all of their concerns should be fully addressed with prompt follow-up. This extends to everyone in the agency, from in-home caregivers to staff members answering billing questions. Attention to detail and competent care at every touchpoint will be vital to achieve better patient satisfaction scores.

The role of remote patient monitoring in value–based purchasing

To deliver higher-quality care more efficiently, many home health agencies are turning to centralized telehealth and remote patient monitoring (RPM). These innovative systems—which can range from all-encompassing patient monitoring to mobile-based solutions—offer benefits directly related to the most important value-based purchasing measures. These include a reduction in hospital readmissions and ER visits, closer monitoring of patient status and improved scores for patient satisfaction.

Comprehensive patient monitoring can be particularly helpful for managing high-risk patients who have the greatest likelihood of returning to the hospital.

RPM can provide:

Daily biometric monitoring and risk alerts to help home agencies monitor the patient's condition more closely

Real-time clinical intervention to swiftly identify issues and handle them through in-person or virtual visits

Symptom surveys that offer a clearer picture of each patient's health status

Educational videos that help patients stay engaged in their own care, learn about their conditions and prepare them to live more independently going forward

Medication reminders to improve adherence with complex pharmaceutical regimens

Easy-to-use platforms that are specifically designed for elderly patients

How RPM Can Help Raise HHVBP Scores

Measure	RPM Benefit
Acute Care Hospitalization/ED use	• Full patient monitoring including symptoms, vitals and medication adherence • Timely intervention during adverse events • Virtual physician visits • High risk alerts for at-risk patients
OASIS measures	• Automated medication reminders • Condition-specific patient education videos • Increased patient engagement in own care
HHCAHPS	• High patient satisfaction scores • 24/7 technical support

In a time of performance-based purchasing models, extremely tight margins and continuing labor scarcity, home health agencies that incorporate telehealth and RPM into their care plans could have an advantage in the effort to attain higher scores —and higher reimbursements—in the years ahead.

About Health Recovery Solutions

Many agencies rely on Health Recovery Solutions (HRS), an RPM company that is currently used by more than 40% of the largest home health agencies in the United States. HRS provides extensive training on the systems for home health agency employees, and patients can call with questions 24 hours a day. The company was named Best in KLAS for Remote Patient Monitoring for three consecutive years from 2020-2022.