

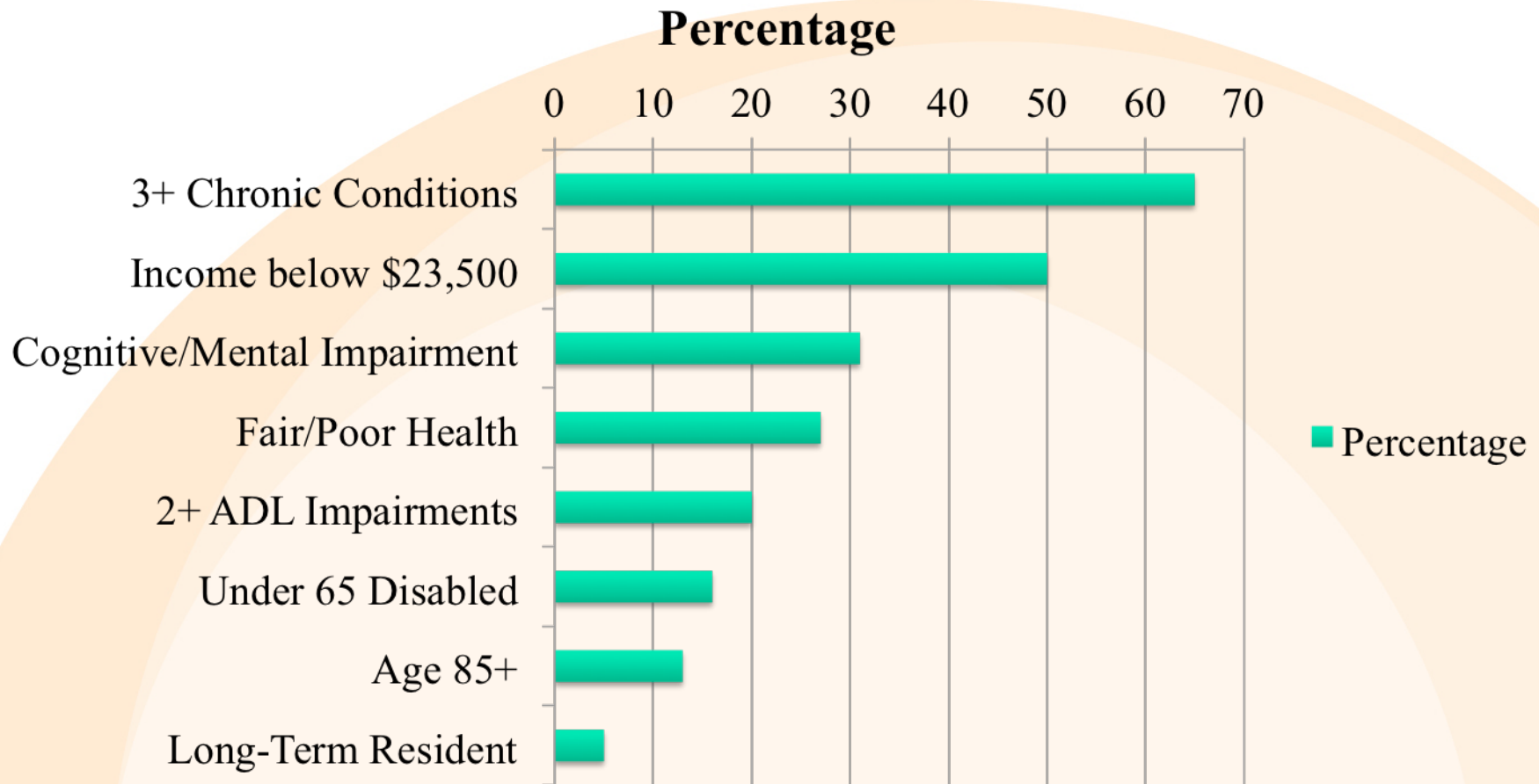
Current State of Home Health Care

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- Medicare Home Health Care
 - Eligibility
 - Services
- Size and Expenditures
- Traditional Deliver Models
- Quality and Outcome
- Emerging Deliver Models
- Key Challenges and Potential Barriers
- Technology
- Opportunities for the Future State

Characteristics of Medicare Population



Changing Demographics

- The population 65+ has increased from 35.5 million in 2002 to 43.1 million in 2012 (21% increase) and is projected to increase to 79.7 million in 2040 (85% increase).
- The 85+ population is projected to increase from 5.9 million in 2012 to 14.1 million in 2040.
- In 2040, up to 29 million people over the age of 65 will have some form of disability (difficulty in hearing, vision, cognition, ambulation, self-care, or independent living).

Source: Administration on Aging, 2014

Medicare Home Health Care Eligibility

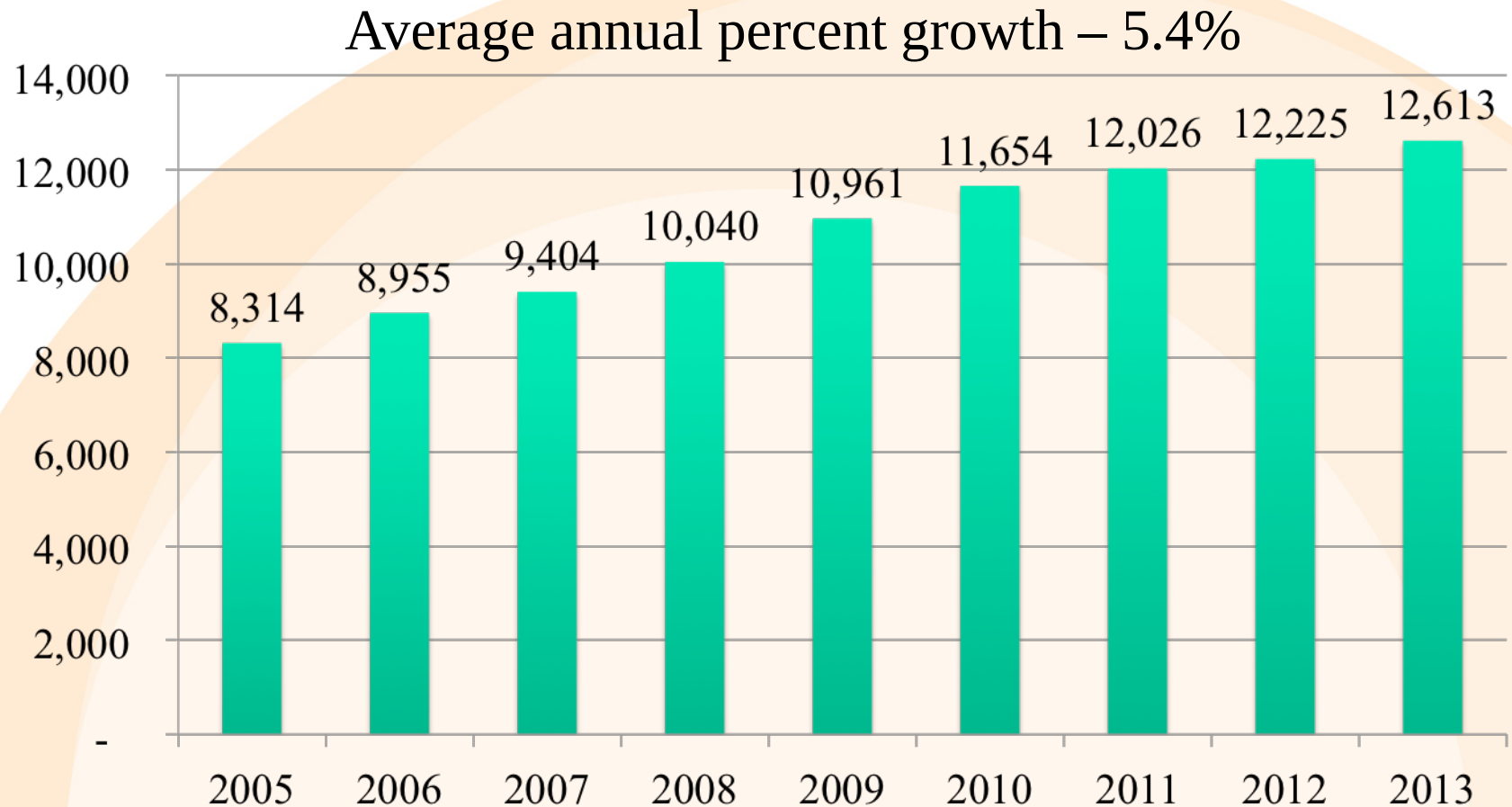
- Patient must be under the care of a doctor, and must be getting services under a plan of care established and reviewed regularly by a doctor.
- Patient must need, and a doctor must certify the need for one or more of the following.
 - Intermittent skilled nursing care
 - Physical therapy
 - Speech-language pathology services
 - Continued occupational therapy
- The home health agency caring for patient must be Medicare-certified.
- Patient must be homebound, and a doctor must certify that the patient is homebound. To be homebound means the following:
 - Leaving the home is not recommended because of the patient's condition.
 - The condition keeps the patient from leaving home without help (such as using a wheelchair or walker, needing special transportation, or getting help from another person).
 - Leaving the home takes a considerable and taxing effort.

- Skilled Nursing Care
 - On a part-time or intermittent basis.
 - Skilled nursing services are given by either a registered nurse (RN) or a licensed practical nurse (LPN). If the services are provided by a LPN, the care must be supervised by a RN.
 - Home health aide services may be covered when given on a part-time or intermittent basis if needed as support services for skilled nursing care.
- Physical therapy, occupational therapy, and speech-language pathology services
 - The therapy services must be a specific, safe, and effective treatment for your condition.
 - The therapy services must be complex or your condition must require services that can safely and effectively be performed only by qualified therapists.
- Medical social services
- Medical supplies

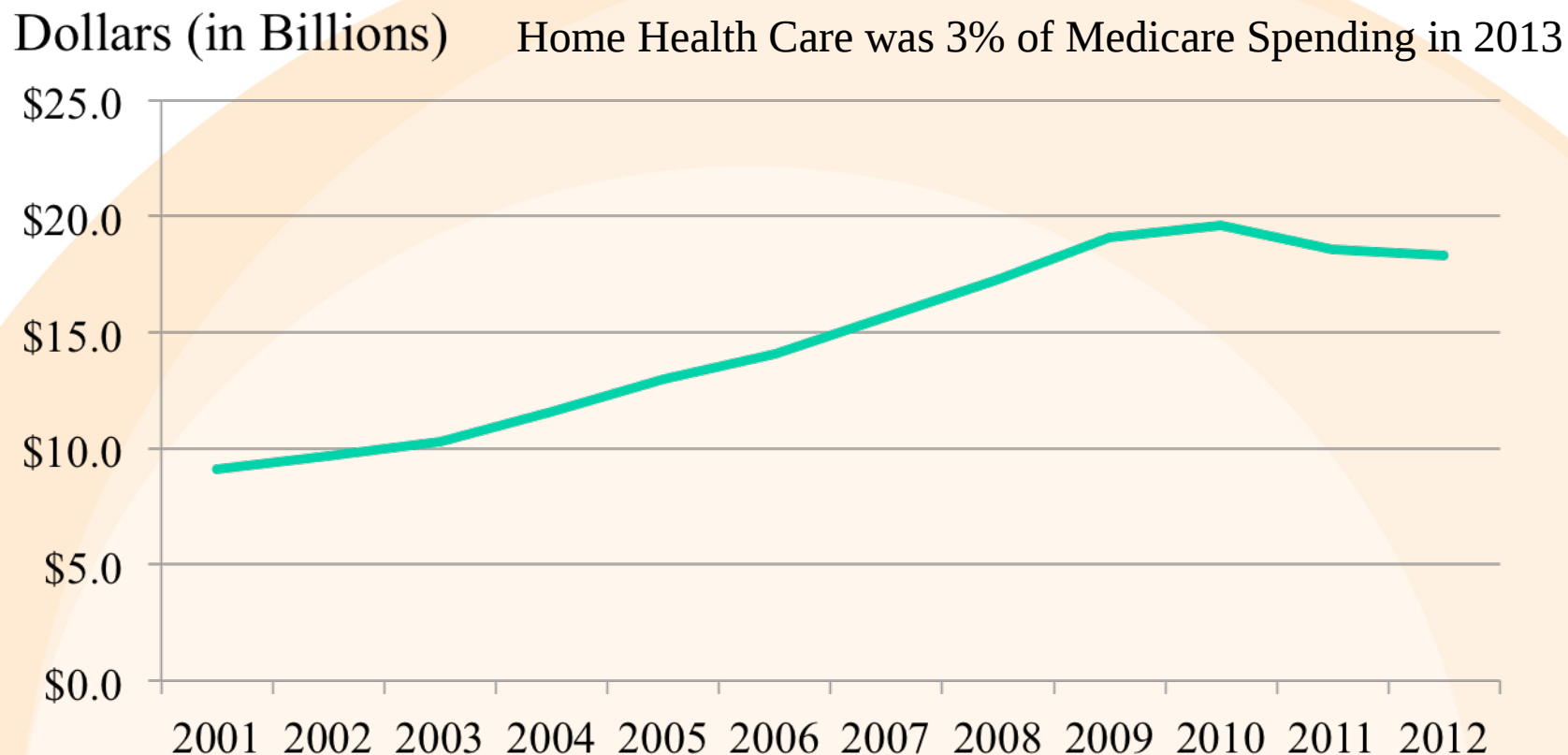
Services Not Covered By Medicare (But Potentially Covered By Medicaid)

- 24-hour-a-day care at home.
- Meals delivered to the home.
- Homemaker services like shopping, cleaning, and laundry when this is the only care needed, and when these services are not related to the plan of care.
- Personal care given by home health aides like bathing, dressing, and using the bathroom when this is the only care needed.

Number of Home Health Care Agencies



Medicare Home Health Care Expenditures



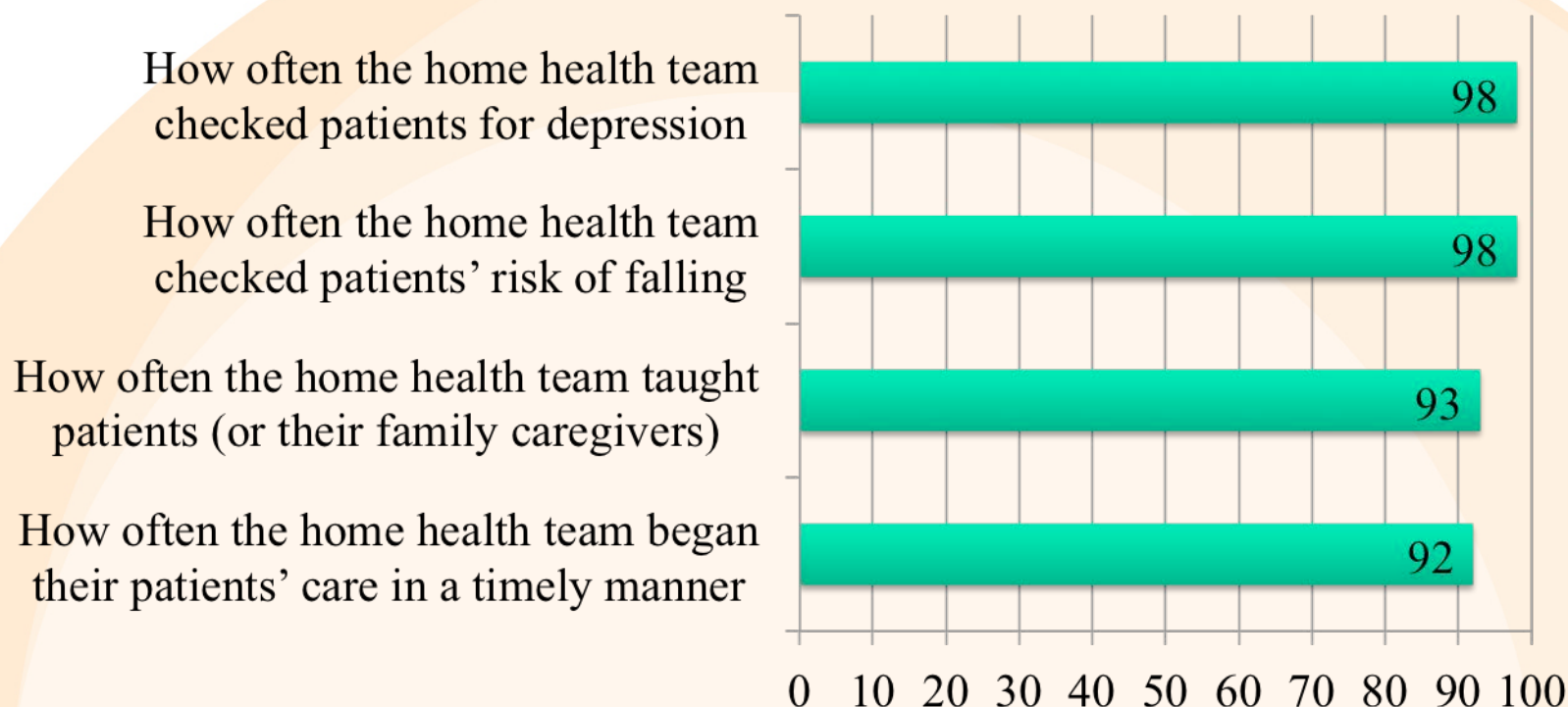
Source: MedPAC: A Data Book: Health care spending and the Medicare program, June 2014 and CBO, Medicare Baseline, April 2014

- Skilled Home Health Care
 - Typically episodic (e.g. 60 – Days) or based on authorized visits
 - Hospital or community based referrals
- Non-Skilled Home Health Care
 - Patients that receive supportive service to remain safely in the community
- PACE (Program of All-Inclusive Care for the Elderly)
 - Integrated compressive care deliver that is center-based with home health care providing additional services
 - Patients are nursing home eligible

- Skilled Home Health Care
 - Medicare
 - Medicaid
 - Commercial
 - VA
 - Managed Care
 - Private Pay
- Non-Skilled Home Health Care
 - Medicaid
 - Private Pay
- PACE (Program of All-Inclusive Care for the Elderly)
 - Medicare and Medicaid

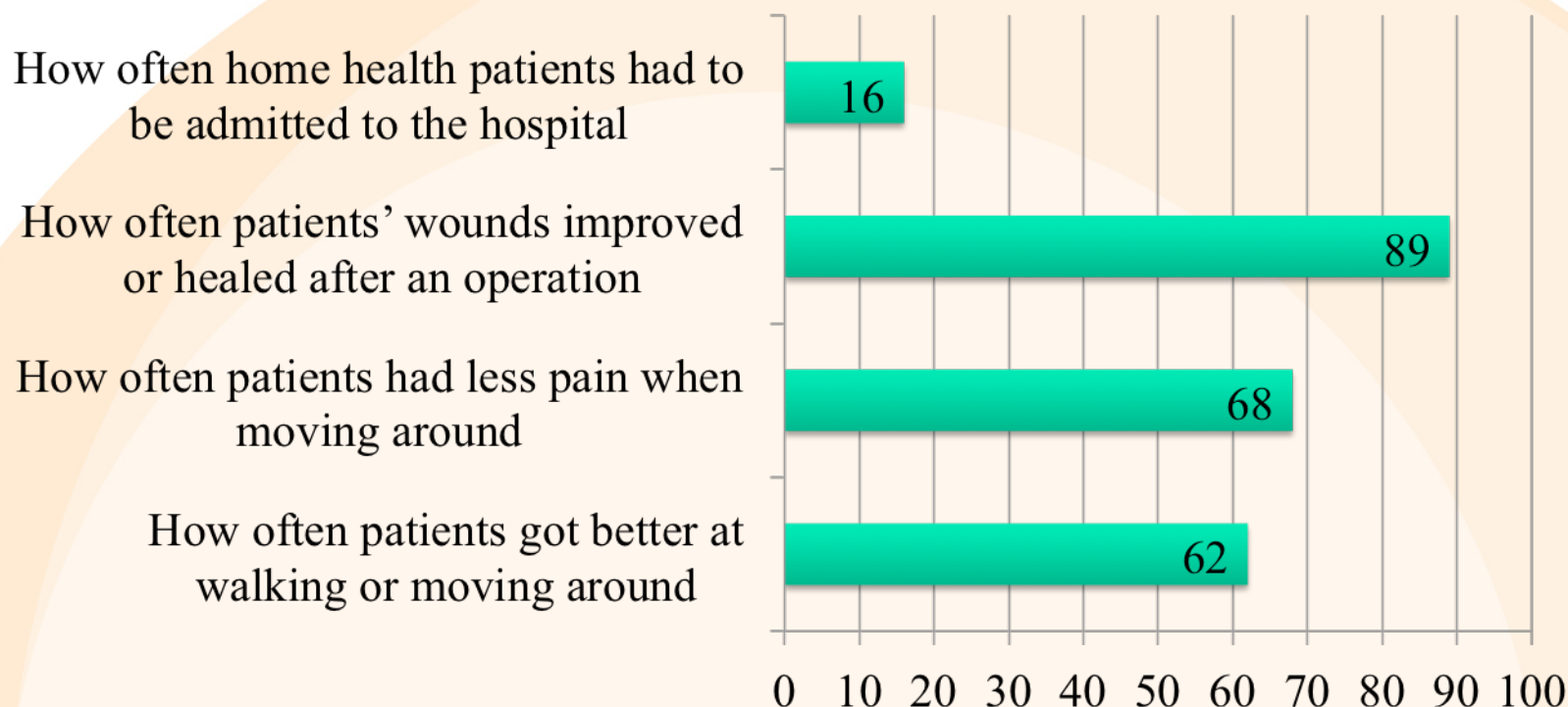
Quality: Process Measures

National Average - Percent



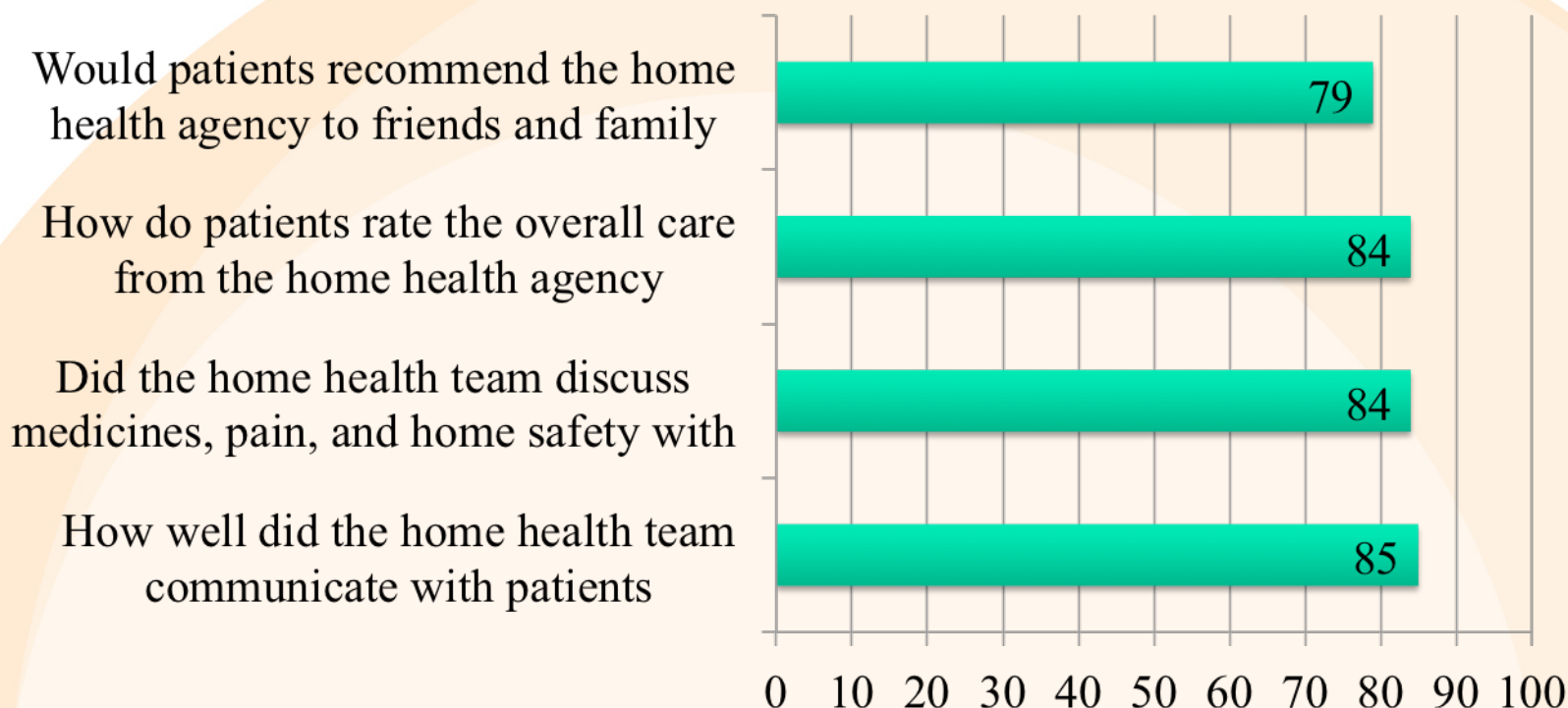
Quality: Outcome Measures

National Average - Percent



Quality: Patient Surveys

National Average - Percent



Current Challenges with Delivery Traditional Home Health Care

- Payment
 - Medicare Rebasing
 - Medicaid Managed Long Term Care
 - Reduced reimbursement from commercial payers and Medicare Advantage
- Regulatory Requirements
 - Face to Face
 - Audits
- Fraud and Abuse

- Accountable care organizations (ACOs)
- Bundled payment arrangements
- Independence at Home (IAH)
Demonstration
- Community-based care transitions
- Contracting with Managed Care Payers for
Assessment Services

Impact of the New Models

- Home health care providers have found opportunities to work directly with ACOs to deliver community based care
- Bundled payment has increased the market for home health care services as patients are shifted away from SNFs
- As part of CMS funded or commercial transitional care initiatives, home health care providers have found an opportunity to deliver transitional services
- Commercial payers are contracting with home health agencies to conduct in home assessments on high risk populations

- Payment
 - Covering the cost of delivering the services can be challenging (Not yet an issue with Bundled Payment)
- Regulatory Requirements
 - Homebound status and skilled need
 - Medicare Conditions of Participation
- Competition
 - Home health care agencies and other organizations
- Coordination
 - Starting to see multiple providers in the home

- Electronic Medical Records
 - Most agencies have some form of electronic record to capture clinical data and the Outcome and Assessment Information Set (OASIS)
 - Unfortunately Meaningful Use does not apply to Long Term Care and there has been limited progress in exchanging data with other providers
- Reporting and Analytics
 - Using internal and external resources agencies are becoming more sophisticated in how they look at quality, outcomes, utilization and financial data
 - Analytics are used to identify patients at risk (e.g. hospitalization, depression, falls)
 - Supporting these functions can be costly for small organizations
- Telehealth
 - Although the literature is mixed in terms of outcomes, many organizations have implemented various forms of telehealth (e.g. video, remote monitoring, automated calls) with some success
 - The challenge has been in most cases the use of telehealth is not directly reimbursed and must be delivered within traditional payment structures

- As the population ages, the demand for community based care is projected to grow substantially
- Patients and families prefer care at home
- Home health care is the lowest cost long term care provider
- Home health care agencies have the experience, knowledge and infrastructure to support the new care deliver models

Discussion