



Best Practice Strategies for Succeeding in the Value-Based Purchasing Environment

November 12, 2015

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BE INVINCIBLE

PPS Final Rule 2016

Value-Based Purchasing: What You Need to Know

November 2015

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First a word about Rates: HHA PPS CY 2016 Final Rule

- Second year that CMS is annually recalibrating the HH PPS case-mix weights.
- Episode payment amount decreased by 0.97 percent each year in CY 2016, CY 2017, and CY 2018 to account for nominal case-mix growth.
- The CY 2016 home health market basket (2.3 percent) combined with the multifactor productivity adjustment (0.4 percentage points) results in a 1.9 percent home health payment update percentage. Reduction in the episode rate to account for nominal case-mix growth by .97% results in a .93% payment update percentage.

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Home Health Rate Changes

Year	Market Basket Index Update	Case Mix Creep Adjustment	Rate Change
2008	+3.0	-2.75%	+0.25%
2009	+2.9%	-2.75%	+0.15%
2010	+2.0%	-2.75%	+2.5% from outlier budget shift = +1.75%
2011	+2.1%	-3.79%	-1.0 Market Basket Index = -2.69% 2.5% above was 1 year only, gone in 2011
2012	+2.4%	-3.79%	-1.0 Market Basket Index = -2.39%
2013	+2.3%	-1.32%	-1.0 Market Basket Index = 0.43% *
2014	+2.30%	-0.62%	-2.73% regulation adjustment = -1.05% * -\$80.95 rebasing adjustment
2015	+2.60%	—	-0.5% productivity adjustment = +2.1% * -\$80.95 rebasing adjustment
2016	+2.30%	-0.97%**	-0.4% productivity adjustment = +0.93% -\$80.95 rebasing adjustment *

*Plus 2% sequestration cut. **Phased in with reductions in 2016, 2017 and 2018.

Sources: Federal Register; Department of Health and Human Services, Centers for Medicare & Medicaid Services, Medicare and Medicaid Programs; CY 2016 Home Health Prospective Payment System Rate Update, Home Health Value-Based Purchasing Model, and Home Health Quality Reporting Requirements, CMS-1625-F; IBI Group, National Association of Home Care & Hospice, and Centers for Medicare & Medicaid; CMS Final Payment Changes Medicare Fee-For-Service, Home Health PPS

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Estimated Impact of all Policies in Final Rule by Region, CY 2016

Region	Impact
New England	-1.3%
Mid Atlantic	-1.2%
East North Central	-1.4%
West North Central	-1.4%
South Atlantic	-1.4%
East South Central	-1.9%
West South Central	-1.9%
Mountain	-1.2%
Pacific	-0.7%

Source: Federal Register, 80 FR 68623, 68713, Table 21

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Home Health Rate Change 2016

The overall economic impact of the HH PPS payment rate update is an estimated **-\$260 million (-1.4 percent)** in payments to HHAs.

Federal Register

Federal Register, Department of Health and Human Services, Centers for Medicare & Medicaid Services, Medicare and Medicaid Programs, CY 2016 Home Health Prospective Payment System Rate Update, Home Health Value-Based Purchasing Model, and Home Health Quality Reporting Requirements, CMS-1625-F

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Home Health Value-Based Purchasing (HHVBP) Model

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CMS and Value Based Purchasing: *CMS Is Emphatic*



"The goal is that, no matter where the care is delivered, it is supported by a payment system that rewards providers who deliver the highest-quality outcomes."

Andy Slavitt
Acting CMS Administrator

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Home Health Value Based Purchasing

- Starts January 1, 2016.
- All Medicare beneficiaries within 9 states.
- 5 Performance years.
- First performance year payment adjustment impacts CY 2018.

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States Selected for the Pilot

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

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Competing Home Health Agencies

- All Agencies certified 6 months or more.
- Competition is within your state.
- Small and large agency comparison groups.
- Small and large determined by HHCAHPS exemption criteria.

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Starter Set of Measures

- 6 process measures.
- 10 outcome measures.
- 5 HHCAHPS measures.
- 3 agency reported measures.



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Process Measures

- Care Management: types/sources of assistance;
- Influenza vaccine data collection period;
- Influenza vaccine received;
- Pneumococcal vaccine received;
- Reason pneumococcal vaccine not received; and
- Drug education on all medications.

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Outcome Measures

- Improvement in ambulation.
- Improvement in transferring.
- Improvement in bathing.
- Improvement in dyspnea.
- Discharged to the community.
- Acute care hospitalization first 60 days.
- ER use without hospitalization.
- Improvement in pain interfering w/activity.
- Improvement in management of oral medications.
- *Prior functioning ADL/IADL.*

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HHCAHPS Measures

- Care of patients;
- Communications between providers & patients;
- Specific care issues;
- Overall rating of home health care; and
- Willingness to recommend this agency.

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3 New Measures

Reporting Required of All Agencies
Regardless of Size:

- Advance care planning.
- Influenza vaccination for home health care personnel.
- Herpes Zoster vaccination ever received by HHA patient?

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Total Performance Score

Minimum 20 episodes and 5 measures required.

Two opportunities for scoring:

- ✓ Achievement
- ✓ Improvement

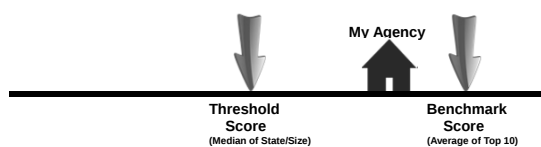
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Total Performance Score, cont.

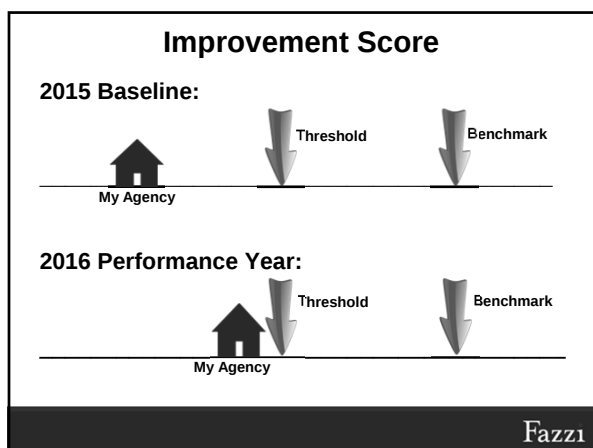
- Based on 0- 10 possible points per measure;
- All measures have equal weight;
- Uses the higher of achievement and improvement;
- 90% score from outcome, HHCAHPS and process measures; and
- 10% of score from new measures.

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Achievement of High Quality Score



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Payment Adjustment

Baseline Year	Performance Year	Payment Adjustment Applied CY	Maximum Payment Adjustment
2015	2016	2018	+/- 3%
2015	2017	2019*	+/- 5%
2015	2018	2020	+/- 6%
2015	2019	2021	+/- 7%
2015	2020	2022	+/- 8%

* Changes to payment schedule and frequency may occur.

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Reporting

- April 2016, Thresholds and benchmarks provided to HHAs.
- July 2016, Quarterly performance reports to HHAs.
- August 2017 , Annual report with expected payment adjustment issued to each HHA.
- 30 day appeal process

****December 2, 2015, Important CMS Update for Competing Agencies.**

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Beyond the HHVBP Pilot

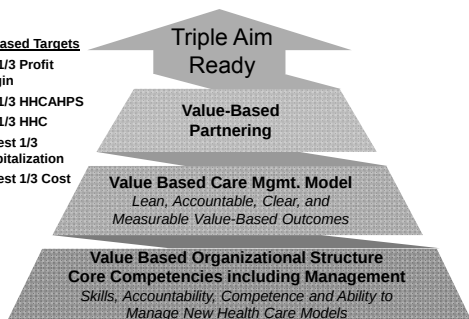
- Risk Contracting
- Star Ratings: Quality of Care and HHCAHPS.
- Care for Joint Replacement Model Proposal.
- Post Acute Preventable ACH Measures Proposal.
- Discharge Planning Revisions Proposal.
- IMPACT Act.

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Value-Based Home Health

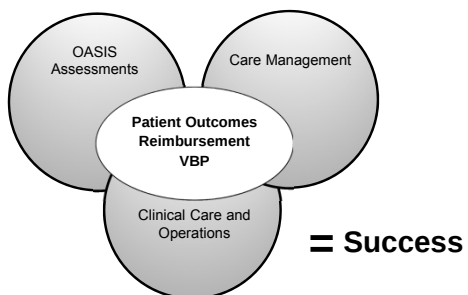
Value Based Targets

1. Top 1/3 Profit Margin
2. Top 1/3 HHCAHPS
3. Top 1/3 HHC
4. Lowest 1/3 Hospitalization
5. Lowest 1/3 Cost

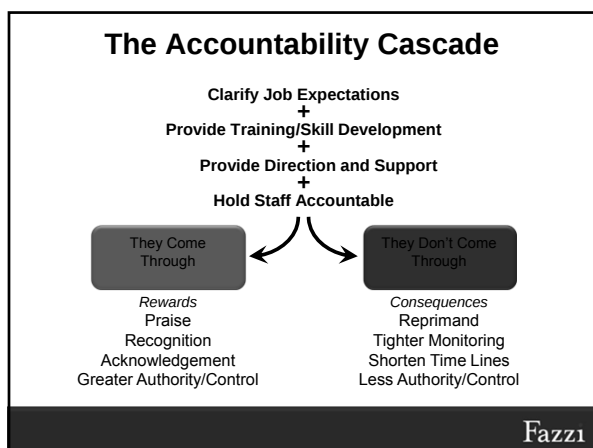


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Home Care Core Competencies



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Home Health Value-Based Accelerator Program

Phase 1: Rapid Cycle Agency Assessment. Benchmark your current performance.

Phase 2: VBP Blueprint for your success. Based on Phase 1, obtain an industry best practice blueprint for change and success.

Phase 3: Partner with Fazzi. Fazzi will partner with you to assure that the necessary changes are implemented successfully to accelerate your performance.

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Controlling Your Future



“The best way to predict the future is to create it.”

- Peter Drucker

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