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Medicare Advantage: Assessing Risk and Opportunity for Home Health Agencies

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Learning Goals

- Review outcomes from recent research related to Medicare Advantage and home-based care
- Discuss a case study for building a value-based case to partner with a Medicare Advantage plan
- Explore considerations for long-term success in an environment with higher Medicare Advantage utilization

Chapter 1

Existing Evidence and Knowledge Gaps Related to Medicare Advantage and Home Health Care

Medicare Advantage Penetration

- Although private health plans for Medicare beneficiaries have been around since the 1970s, enrollment in Medicare Advantage (MA) plans has gained momentum over the last 15 years
- Currently, more than a third of Medicare beneficiaries receive their benefits through the MA program, and enrollment is projected to cover about 51 percent of Medicare beneficiaries by 2030^{1,2}
- Despite the growing prevalence of MA, information on HH patterns in MA is limited due to research challenges

1. Freed et al., 2021

2. Congressional Budget Office, 2020

Exploration of the Value and Role of Home Health Care in Medicare Advantage

- In August 2021, the Alliance published a report by KNG Health Consulting on the value of skilled HH and the role of HH in MA.
- The report explores HH's current role in MA plans as well as future needs and opportunities
- Both the **full report** and **fact sheet** are available on the Alliance website

Exploration of the Value of Role of Home Health Care in Medicare Advantage

Prepared for: Alliance for Home Health Quality and Innovation

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Literature Review

- We conducted a scoping literature review to assess existing empirical evidence on HH use in MA and the value of HH to MA plans and beneficiaries
- In total, we included 27 research products in our assessment, drawing from peer-reviewed studies, gray literature, and poster presentations

Key Findings

After a review of existing literature, we categorized our findings related to MA under the following themes

- Utilization of home health care
- Access to home health care
- Patient outcomes associated with home health care

Utilization of HH

- Understanding the two dimensions of HH utilization
 1. Frequency of HH admissions
 2. Duration of HH visits
- The literature suggests that utilization of HH is lower in MA relative to traditional Medicare (TM)
- These findings are consistent with MA plans using benefit design elements, such as pre-authorization and referral requirements, to limit HH use and costs
- Additional research is needed to understand the sources and consequences of this difference in the use of HH between TM and MA

Access in HH

Several studies that investigated the access to home health agencies (HHAs) among MA enrollees found that MA enrollees may be more limited in accessing HH, in general, and high-quality HHAs, in particular

Patient Outcomes Associated With HH

We found only one study that examined the effects of MA on the outcomes of beneficiaries who received HH

- The study concluded that outcome differences between MA and TM were small and inconsistent after adjusting for patient demographic and clinical characteristics

Interviews

- We interviewed two HH executives and two HH physician-researchers to gather information on the use and value of HH in MA
- We were unable to interview a MA plan representative

Misunderstanding the Value of HH

- Multiple interviewees noted that the true value of HH is not generally apparent to patients or providers outside of the HH industry
 - Specifically, patients and families confuse out-of-home placement with greater treatment intensity even though patients may have more intense and more frequent therapeutic contact through skilled HH with better functional outcomes
- Interviewees' responses revealed that there may be significant gaps in MA plans' understanding of what HH entails
 - According to one interviewee, MA plans aren't aware of the skilled nursing care provided and associate HH with community-based care
 - The interviewee also suggested that this same lack of understanding is present among MA beneficiaries

Prior Authorization and Access to HH

- The two provider representatives that we interviewed both voiced concern that the authorization process employed by MA plans is onerous, places added burden on the provider, and may be limiting access to skilled HH services
- Furthermore, one of the provider representatives interviewed indicated that the current set of eligibility criteria for HH is overly restrictive and limits access to skilled HH
- Interviewees indicated that MA plans' restrictions on HH stem from a lack of understanding about the value that HH offers to the beneficiary and the overall health system
 - One of the researchers interviewed pointed out that MA plans that are integrated with a health care delivery system tend to have a better understanding of the value of HH and a better control over skilled HH resources and thus are less restrictive
 - One of the providers interviewed stated that they have been sharing analytics on outcomes with MA plans and have found it to be helpful in broadening the plans' understanding of the value of skilled HH

Findings Summary

Our review of the literature and interviews with key informants revealed limited information on the value of HH and potential knowledge gaps among MA plans

- While we were able to find studies that reported on utilization and access to HH among MA beneficiaries, there was almost no information on patient outcomes associated with this cohort
- Interviewees noted that MA plans do not understand the value of skilled HH services and, as a result, may limit access to HH through benefit design elements (i.e., prior authorization)

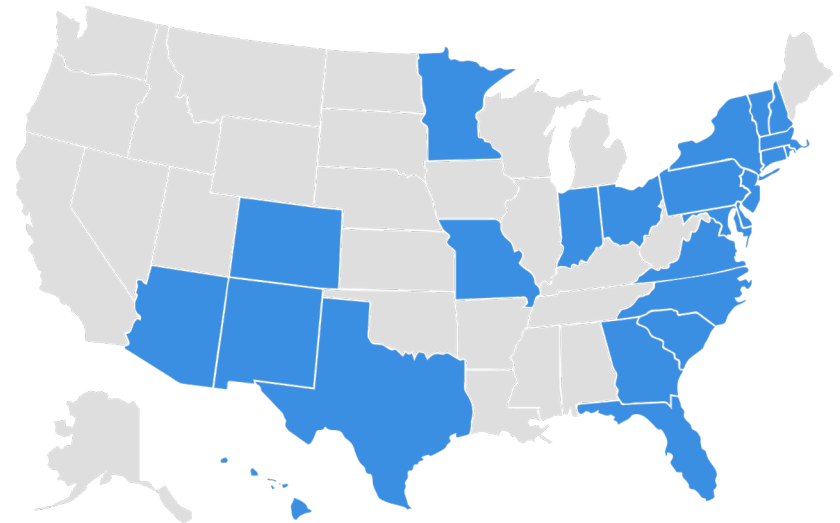
Chapter 2

Provider Perspective

About BAYADA

- BAYADA has a **legacy of more than 45 years** of industry leadership, **high-quality care**, and growth in **impact**
- More than **360 organically developed local offices** provide nurses, home health aides, therapists, and social workers to 150,000+ clients per year

More than 1,000,000 clients cared for since 1975



\$1.4 billion
in annual
revenue



5,000
physician
partners



1,000
hospital/SNF
collaboration
s

Reflecting on the AHHQI Report

- Differing volume of service for patients with MA vs. traditional Medicare
- Authorization process creates bottlenecks, unnecessary administrative burden
- Many plans do not understand the value of care in the home

General Approach to Engaging With MA Plans

- Know your market
 - New vs. existing markets
 - CMS data, state county contract files
- Know your referral sources
- Know your own volume and outcomes by payor

Case Study: Large-Scale Relationship

Value-based contract between BAYADA and regional health plan, beginning in 2019. Opportunity to leverage scale to impact outcomes across multiple BAYADA

Plans	Population	Metrics
Medicare Advantage and Managed Medicaid	2300 BAYADA clients each year, served by 60 locations	Hospital admissions, readmits, emergency department visits
Six health plans in two states	Five different BAYADA service lines	Missed shifts and HEDIS measures

- **Key initiatives**
 - Data sharing and claims analysis
 - Targeted high-risk clients
- **2019/2020 results**
 - Improvement demonstrated in all key quality measures
 - Shared savings bonus payment earned by BAYADA

Case Study: New Market Entry

Value-based contract between BAYADA and local health plan, beginning in 2019. Explored new payment model to reduce administrative burden and add care plan flexibility.

Payment model	Population	Metrics
Alternative to traditional FFS	Eliminates traditional pre-authorization requirement	New quality targets to ensure consistency in care delivery
Established new flat fee “case rate” to manage all home health needs	Removes bottlenecks and unnecessary costs	Includes hospitalization and functional outcomes

- **Key initiatives**
 - New tools for visit targets
 - Daily huddles for case review
- **2019/2020 results**
 - Improve demonstrated in all key quality measures
 - Shared savings bonus payment earned by BAYADA

Winds of Change: Looking Forward

- MA plans are shifting their focus to the home setting
- Home-based care is increasingly gaining a “seat at the table”
- Industry expectation to deliver high-quality care at a lower cost, despite increasing patient acuity

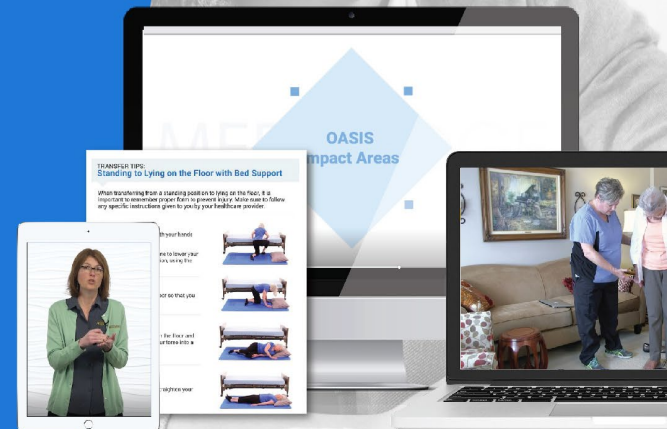
Wrap-Up

- Recent research demonstrates variation in the approach to home-based care between Medicare Advantage and traditional Medicare
- Case studies reveal that home health providers can position themselves as value-based care partners for Medicare Advantage plans
- Providers should consider strategies for long-term success in an environment where Medicare Advantage utilization will continue to grow

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Bibliography

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Michael P. Johnson, PhD, PT, Anthony D'Alonzo PT, DPT, MBA, and Elizabeth Hamlett

1. Freed, M., Damico, A., & Neuman, T. (2021, Jan 13). *A dozen facts about Medicare Advantage in 2020*. Kaiser Family Foundation. <https://www.kff.org/medicare/issue-brief/a-dozen-facts-about-medicare-advantage-in-2020/>
2. Congressional Budget Office. (2020). *Medicare—CBO's baseline as of March 6, 2020*. <https://www.cbo.gov/system/files/2020-03/51302-2020-03-medicare.pdf>