

Eli's Rehab Report

Case Study: Check Out This Agency's Stabilization Scenario

"Isn't part of the mission of home care to assist clients to remain in the home free from hospitalization?" asks HHA rep.

One of the biggest problems home health agencies have is the dynamic of stabilization versus improvement in the Value-Based Purchasing (VBP) methodology, which "puts a heavy emphasis on the ability of providers to 'improve' the status of the patient," said PT consultant **Cindy Krafft** in her comment letter on the 2016 home health prospective payment system proposed rule published in the July 10 Federal Register.

"The nurses, therapists, social workers and aides that provide care in the home want to be able to improve the condition and functional ability of every patient, but given the complexity of many of those we serve, our ability to employ skilled care to stabilize the situation and prevent decline (and higher cost care) is invaluable to both the individual and those that love them," insisted Krafft, of **Kornetti & Krafft Health Care Solutions**.

Many providers and industry reps wrote to the **Centers for Medicare & Medicaid Services** (CMS), expressing their concern about the lack of stabilization measures included in the proposed Value-Based Purchasing model.

One agency from the VBP state of Iowa offered this case scenario to the CMS to prove the point:

"We are a small home health agency in Iowa that serves home health clients through the Affordable Assisted Living model, so our census is 80 percent Medicaid clients that require long-term services," said **Diana Taylor** in her comment letter on the 2016 HH PPS proposed rule. "The value-based purchase concept works great if you're a large hospital-based home health care where the hospital self refers or highly encourages clients leaving the hospital to choose the hospital-based services," she contended. "These home care agencies automatically get the referrals for the short-term therapy, with attainable goals as clients. However, these same agencies pass on the Medicaid clients. The Medicaid clients are the clients who have chronic conditions, low income, and no family support. These chronic clients are the ones that traditionally are non-compliant and have frequent hospitalizations and numerous emergency room visits.

"So here is how the game is played: Take on clients with rehab goals that can truly improve by the nature of their condition and refer to other small agencies to pick up the rest. Consider these principles □ the outcomes are only reported on specific timeframes when there is a start time and an end time and these outcomes are only reported on Medicare and Medicaid clients with a skilled need. So Start of Care and Transfer, Start of Care and Discharge, Resumption of Care and Discharge," added Taylor.

Don't Punish Providers That Save System Money

"With that in mind, with our chronic census we typically have a client on Medicaid home care for a year, and if they discharge it would be because they decline and need a higher level of care. Isn't part of the mission of home care to assist clients to remain in the home free from hospitalization and [the] skilled nursing facility? The value-based program does not give incentives to home care agencies that keep chronic care clients out of the hospital [w]ith diabetes, congestive heart failure, and chronic obstructive pulmonary disease as the three most common diagnoses. Legislatures talk about finding programs for preventative, well home care especially under Medicaid [to serve] as a 'preventative solution to keep frequent fliers out of the hospital and emergency rooms.'

"Last reporting period I had an average daily census of 257 clients. But when you look at the report, only 27 of those clients had data reported. Why? Because I only had 27 clients that were discharged, transferred, or resumed care after an admission. Now because I only had 27 clients for example, and 3 clients had an emergency room visit, the report

shows in percentage that 10 percent of our clients are hospitalized or require emergency care... In fact, in reality, yes, 3 clients were hospitalized out of the 257 clients on service, with the real percentage of 1 percent... The agencies taking on the chronic and challenging clients are not rewarded for 'true care' keeping them from progressing, keep[ing] chronic clients out of the ER, and keeping them out of the hospital," she pointed out.

Result: "These agencies that take on clients who by chronic illness cannot improve are going to have their rates cut," Taylor observed. "Medicare savings comes from managing chronic care," she said. "True chronic clients do not show many improvements, but the goal to ... prevent them from getting worse, identifying early signs or symptoms that takes actual nursing and professional skill ... would contain cost of our three most expensive diagnoses in the U.S."

Stay tuned: Whether CMS will incorporate stabilization measures into VBP should be answered by the final rule, which is expected soon.

Note: See the proposed rule at www.gpo.gov/fdsys/pkg/FR-2015-07-10/pdf/2015-16790.pdf .