

# Your Guide to Value Based Purchasing

*In today's ever-changing world of healthcare, home health agencies have become accustomed to evolving their business models, and everyday operations, to remain compliant and improve reimbursements. One recently implemented program from the Centers of Medicare and Medicaid Services (CMS), Home Health Value Based Purchasing (HH-VBP), aims to help achieve better health, better care and lower costs. Home health agencies can expect a shift in Medicare reimbursement rates over the life of the program. Have questions? We have answers. The following guide will walk you through HH-VBP and how you can prepare for success.*

## What is the Home Health Value Based Purchasing model?

Part of the Accountable Care Act, the HH-VBP model connects care quality to payment to improve patient experiences and outcomes. The program rewards agencies that improve quality, while penalizing those with poor performance.

## Which home health agencies are affected?

Beginning in January 2016, HH-VBP is a mandatory pilot program that impacts all Medicare-certified home health agencies in nine states: Arizona, Florida, Iowa, Maryland, Massachusetts, North Carolina, Nebraska, Tennessee and Washington.

## How is an agency measured?

To determine an agency's Medicare reimbursement rates under the HH-VBP program, CMS uses 24 home health quality measures. The formula used considers both an agency's achievement and improvement scores, while also considering baselines and benchmarks using data from OASIS, Medicare claims, HHAHPS surveys and other reported data. Each quality measure will be scored equally to create the agency's total quality score.



*Medicare home care costs are more than 10X lower than hospital costs<sup>1</sup>, making comfortable, convenient at-home care an attractive and safe alternative.*

An agency's total score will be based on how its quality measures compare to other agencies within its state, and whether its quality measures have improved over time. CMS will use each agency's 2015 quality measure as the base year to compare its initial measures. Agencies will receive their total scores, and their subsequent adjusted payment rate, annually.

## How will reimbursements change?

Even though the HH-VBP pilot program began in January 2016, impacted agencies won't see payment adjustments until 2018 for 2016 performance. In

2018, agencies can expect a 3 percent (maximum) increase or decrease in Medicare reimbursement payments. Over the life of the program, that rate will gradually increase to an 8 percent (maximum) adjustment in Medicare reimbursement payments in 2022 for 2020 performance.

### How can you prepare?

If your agency operates in one of the nine states included in the pilot program, you must register on the CMS Enterprise Portal to get an Enterprise Industry Management (EIDM) user ID. The portal will allow your agency to view quarterly and annual performance reports, view benchmark scores of other providers in your state and submit new measurement data.

Regardless of your location, it's important to take a look at the 24 quality measures (see below) that make up HH-VBP, assess your performance and how your scores compare to others in your state. You should be continuously looking at ways to improve your scores. Focus on OASIS accuracy, since it fuels many of HH-VBP's quality measures, and look for ways you can educate staff members to improve

#### Outcome Measures (CASPER reports):

Improvement in Ambulation (M1860)  
Improvement in Bed Transferring (M1850)  
Improvement in Bathing (M1830)  
Improvement in Dyspnea (M1400)  
Discharged to Community (M2420)  
Acute Care Hospitalization (Claims)  
ER Utilization without Hospitalization (Claims)  
Improvement in Pain with Activity (M1242)  
Improved Management of Oral Medications (M2020)  
Prior Functioning ADL/IADL (M1900)

NOTE: This measure is not currently reported

#### Process Measures (CASPER reports):

Care Management-Types/Sources of Assistance (M2102)  
Influenza Data Collection Period (M1041)

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your current OASIS collection program. There are several resources to help assess your performance, and spot trends, whether positive or negative, like CASPER, Home Health Compare and the Home Health CAHPS Survey.

All home health agencies are receiving pressure to provide better care and outcomes while streamlining operations and cutting costs, so why not start the improvement process now?

#### Citations

<sup>1</sup> 2015 Home Health Care Market Outlook. Launch Factory, LLC. 2014.

Influenza Immunization Received for Current Flu Season (M1046)  
Pneumococcal Vaccine Ever Received (M1051)  
Reason Pneumococcal Not Received (M1056)  
Drug Education on All Medications Provided to the Patient/Caregiver (M2015)

#### Home Health CAHPS Satisfaction Survey Measures:

Care of Patients  
Communication between Providers and Patients  
Specific Care Issues  
Overall Rating of Home Health Care  
Willingness to Recommend the Agency

#### Agency-Reported Measures (NEW):

Influenza Vaccination Coverage for Home Health Personnel  
Herpes Zoster (Shingles) Vaccination Ever Received by Patient  
Advance Care Planning

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