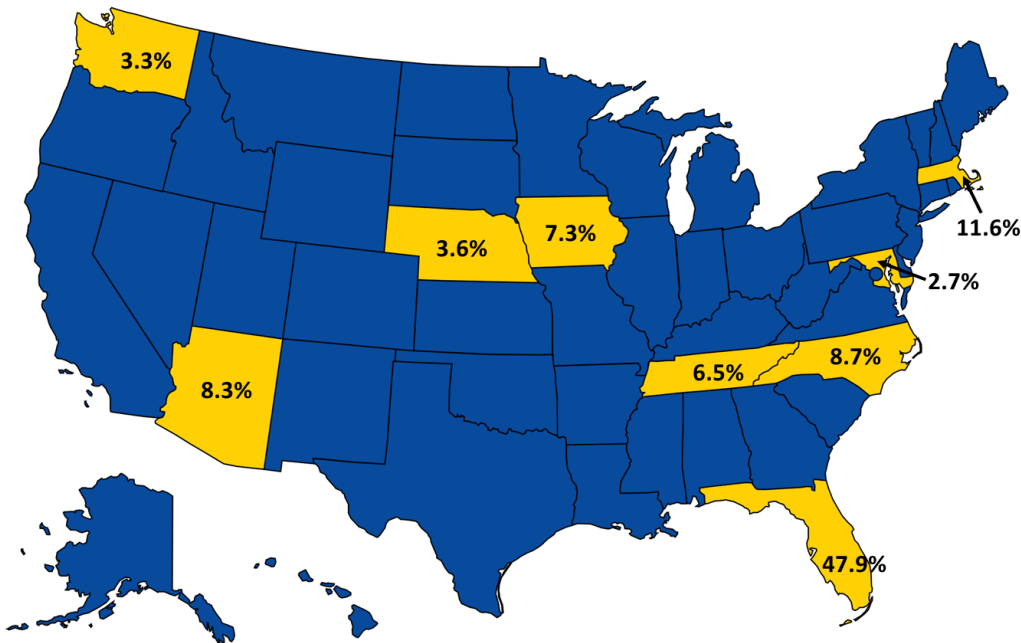


MODEL OVERVIEW

The Home Health Value-Based Purchasing (HHVBP) Model provides financial incentives to home health agencies for quality improvement based on their performance relative to other agencies in their state. The goal of the model is to improve the quality and efficiency of delivery of home health care services to Medicare beneficiaries. Nine states were randomly selected to participate in the HHVBP Model starting on January 1, 2016. Home health agencies in these states receive performance scores for individual measures of quality of care that are combined into a Total Performance Score (TPS) to determine their payment adjustment relative to other agencies within their state.

CMS used agencies' 2016 TPS to adjust their Medicare payments by up to $\pm 3\%$ in 2018 and used their 2018 TPS to determine payment adjustments of up to $\pm 6\%$ in 2020. Payment adjustments of up to $\pm 7\%$ occurred in 2021, the last year of the original HHVBP Model prior to the nationwide expansion of the model in January 2022. This document summarizes the impact observed in 2016 through 2020, the first five years of the original model, including the first three payment adjustment years.

Distribution (%) of Home Health Agencies in HHVBP Model States, 2020



PARTICIPANTS

All Medicare-certified home health agencies providing services in the following states were included in the HHVBP original Model:

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

In 2020, there were approximately 1,907 home health agencies in the nine HHVBP states, representing 19% of all agencies, that provided 2.1 million home health episodes to over 734,000 Medicare beneficiaries.

FINDINGS



QUALITY AND UTILIZATION



Total Performance Scores were 7% higher among agencies in HHVBP states than agencies in non-HHVBP states in 2020

Decrease in unplanned hospitalizations, ED visits leading to inpatient admission, and skilled nursing facility use by FFS beneficiaries using home health

Offset by unintended 2.5% increase in outpatient ED visits



MEDICARE SPENDING

Continued evidence of savings due to HHVBP during 2020, during the onset of the COVID-19 PHE and other changes in Medicare payment to agencies

\$949.2 million (1.6%) reduction in cumulative Medicare spending, 2016-2020

Driven by:

\$546.8 million (2.8%) reduction in inpatient hospitalization stay spending
\$201.2 million (4.0%) reduction in skilled nursing facility services spending

Offset by:

\$87.5 million (6.4%) increase in outpatient ED and observation stay spending

EQUITY AND ACCESS



Decrease in unplanned hospitalizations and improvement in two functional status

measures for non-Medicaid patients, but not for Medicaid patients

No consistent pattern in effects of HHVBP across racial/ethnic minority groups

No overall effect on use of home health services and no adverse effects on access to home health care

PATIENT EXPERIENCE WITH CARE AND FUNCTIONAL STATUS



Although three of five measures of patient experience with care declined slightly, the model improved home health patients' mobility and self-care as well as other aspects of functional status



KEY TAKEAWAYS



The first five years of the implementation of the original HHVBP Model have resulted in cumulative Medicare savings of \$949.2 million, a 1.6% decline relative to the 41 non-HHVBP states, as well as improvements in quality. These impacts were observed during 2020, the third year for quality-based payment adjustments, as well as the first four years of the model.