

# Updating the Home Health Agency Chapter of the State Health Plan

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# Background

- **Home Health Agencies (HHAs): only CON-regulated facilities providing home care services**
- **New Plan Chapter focus on HHAs (COMAR 10.24.16)**
- **Only HHAs may be certified for Medicare**
  - Medicare is primary payor; 72% of clients and 83% of visits
  - CMS payment policies have major impact on use of HHAs
  - Medicare requires submission of utilization and quality data
  - Public reporting: Home Health Compare; Star Ratings
  - Maryland selected for CMS 2016 HH Value-based purchasing demonstration
- **MHCC Whitepaper and 2015 HHA Advisory Group**

# Current Landscape

- 56 licensed HHAs
- Majority located in Baltimore metropolitan area, Montgomery, Prince George's, Carroll and Frederick Counties
- Vast majority authorized to serve more than 1 jurisdiction
- Recent CONs awarded: 2008 and 2009
  - Need identified in 3 jurisdictions: Baltimore, Frederick and Montgomery
  - 2 existing HHAs expanded to serve Frederick County
  - 4 new HHA providers to serve Baltimore and/or Montgomery Counties
    - ▶ 1 new HHA approved to serve Montgomery County remains
    - ▶ 3 new HHA providers unable to establish a sufficient market share in Baltimore and/or Montgomery Counties were eventually acquired

# Features of New Approach

- Focus on quality providers
- Require qualification of applicants based on past performance
- Create opportunities for new or expanded HHAs to enhance consumer choice, market competitiveness, and/or quality performance
- Recognize evolving nature of quality measurements by selecting measures and performance thresholds before each review cycle

# New Approach to Determining Need

**Ensure consumer choice of quality HHAs**

**Qualifications for a jurisdiction**

- Insufficient consumer choice
- Highly concentrated HHA service market, or
- Insufficient choice of quality performing HHAs

**Create multi-jurisdiction regions for CON review**

- Combine two or more smaller, contiguous jurisdictions
- Provide incentive to serve rural, less densely populated areas

# Qualifying CON Applicants

## Types of qualified applicants

- Existing Medicare-certified HHAs in Maryland
- Existing Medicare-certified HHAs licensed in another State, or
- Non-HHA providers licensed and accredited: hospital, nursing home or Maryland RSA providing skilled nursing services

## Qualifications for all applicants include:

- No Medicare or Medicaid payments suspended within last 5 years
- Not convicted of Medicare or Medicaid fraud or abuse within last 5 years
- Complied with federal and State quality of care reporting requirements and performance standards

## Performance-related qualifications vary by type of applicant

- Public Notice: selected quality measures; performance levels

# Public Notice: HHA Quality Measures and Performance Levels for Qualified Applicants

- Quality measures are evolving; performance levels are changing
- Opportunity to review and comment on recommended measures before adoption
- Quality measures for Medicare-certified HHAs:
  - Achievement on CMS Star Ratings
  - Achievement on selected quality measures, and
  - Maintenance or improvement in performance over three-year period
- Quality measures for hospitals, nursing homes or Maryland RSAs:
  - Hospitals and Nursing Homes: achieve and maintain CMS Star Ratings for at least three most recent years
  - Maryland RSAs: maintain accreditation for at least three most recent years

# CON Review Standards

**CON review standards will include:**

- **Financial accessibility**
- **Charity care and sliding fee scale**
- **Financial feasibility**
- **Impact**



# CON Preference Rules in Comparative Reviews

**May limit number of CON applicants approved when:**

- Multiple docketed applications fully comply with CON review standards, and
- Approval of all docketed applications would have an adverse impact on existing HHAs

**Order of preference:**

- Higher performance on quality measures
- Proven track record in serving a broader range of all payor types and the indigent
- Proven track record in providing a broader range of services

# Strategy: Gradual Growth

**Allow for gradual growth in number of HHAs and expansion of existing HHAs**

- **500K+ population: no more than three new market entrants in a single review cycle**
- **200K to < 500K population: no more than two new market entrants**
- **< 200K population: no more than one new market entrant**

# Acquisition of HHAs

- 22 of the 56 HHAs have entered Maryland via acquisition
- Not a CON review; requires determination of coverage
- Additional information; greater transparency:
  - No Medicare fraud or abuse, or other serious criminal activity
  - Commitment to serve all payor types and the uninsured
  - No change in scope of services

# Merger or Consolidation of HHAs

## Current:

- Consistent with State Health Plan
- Result in more efficient and effective delivery
- In the public interest

## Proposed:

- Commitment to serve all payor types and uninsured
- Public interest finding:
  - ▶ geographic and financial access
  - ▶ market concentration pre- and post- merger, and
  - ▶ quality performance

# Goal: What We Hope to Achieve

- ▶ Renewed focus on consumer choice
- ▶ Greater emphasis on quality providers
- ▶ Create opportunities for new HHA providers and expansion of existing HHAs
- ▶ Streamline the CON review process

Background information on White Paper and 2015 HHA Advisory Group meetings

[http://mhcc.maryland.gov/mhcc/pages/home/workgroups/workgroups\\_hha.aspx](http://mhcc.maryland.gov/mhcc/pages/home/workgroups/workgroups_hha.aspx)

CMS Home Health Compare <https://www.medicare.gov/homehealthcompare/search.html>