



MARYLAND HEALTH CARE COMMISSION

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Home Health Agency Advisory Group February 5, 2015 Meeting Summary

Attendance

HHA Advisory Group Members: Jackie Bailey; Keith Ballenger; Heidi Brown; Barbara Fagan, Rosellen Fleishman; Patti Heagy; Ann Horton; Tim Kuhn; Dr. Alan Levitt; Donna McCracken; Dr. Tara McMullen; Patrick O'Malley; Rose Nowak representing Lauren Simpson; Roslyn Tyson; Dawn Williams.

Audience: Mohamed Badawi; Marlene Hutchinsen; Bruce Kozlowski; Theresa Lee; Kevin McDonald; Denise Ridgely; Catherine Victorine; Suellen Wideman

Commission Staff: Carol Christmyer; Linda Cole; Paul Parker; Ben Steffen; Cathy Weiss

Welcome and Introduction

Ben Steffen, MHCC Executive Director, welcomed the HHA representatives and other members to the first meeting of the HHA Advisory Group. Following introduction of the participants and staff, Mr. Steffen noted that the review and update of the HHA Chapter to the State Health Plan would take into account some of the broader changes in the health care delivery and financing system, such as Maryland's new hospital payment model and global budgets. These changes will present both challenges and opportunities for HHAs. The Commission has taken a more streamlined approach for CON review across different sectors, and such an approach for HHAs would provide greater flexibility.

Background and Charge of the HHA Advisory Group

Cathy Weiss, Chairperson, noted that the Commission has regulatory oversight for the development of certain health care facilities and services through its CON program. While there are a few different types of licensed home care providers in Maryland, only Medicare-certified HHAs are required to obtain a CON prior to seeking licensure. The HHA Advisory Group was created to assist Commission staff in: identifying contributing factors to the changes in HHA utilization; reviewing the issues regarding the way HHAs are currently regulated in Maryland; determining how quality and performance measures can be incorporated into CON review, planning and policy development; and reviewing a possible new regulatory approach for

development of HHA services as outlined in the *White Paper: A New Approach for Planning and Regulatory Oversight of HHA Services in Maryland*.

Highlights: Current Landscape of HHA Services in Maryland

Supply and Distribution: Ms. Weiss presented selected key findings related to the supply and geographic distribution of HHAs, noting that of the total 56 HHAs licensed in Maryland, 50 have authority to serve the general population, while six agencies have limited authority to serve a special population group. Variations in the geographic distribution of HHAs, as measured by the number of HHAs per jurisdiction across Maryland were noted, with the majority of HHAs serving the Baltimore metropolitan area, as well as Montgomery, Prince George's, Carroll, and Frederick Counties. While the vast majority of HHAs are authorized to serve more than one jurisdiction, not all HHAs actually serve all their authorized jurisdictions.

Utilization of HHA Services: Ms. Weiss noted that utilization information is based on the data reported by the agencies on the Commission's Annual HHA Survey, reiterating the importance of collecting timely and accurate information on the HHA Survey as it is used for planning and CON reviews. The profile of a typical HHA client in Maryland was described, as well as overall statewide HHA utilization trends from 2004 to 2013. Ms. Weiss noted that there has been a small increase in the number of agencies and a much larger increase in the number of admissions, indicating an overall increase in the average number of admissions per agency. During the same time period, visits increased more than clients, demonstrating a trend in more visits per client, on average. Changes in utilization and average costs by discipline between 2004 and 2013 were also described. Ms. Weiss suggested that some of the changes in HHA service utilization patterns may be reflective of the changes in reimbursement for those services during this nine-year period.

Financing of HHA Services. An overview of the payer mix of HHA services for FY 2013, as well as payer mix trends from 2004 to 2013 was presented. Medicare continues to be the largest payer for HHA services, with Medicare clients representing 72% of all HHA clients in 2013 and an even larger proportion of visits (83%). Private insurance represents 18% of clients and 11% of visits, indicating that the average number of visits per privately insured client is less than that for a Medicare client. Both Medicaid and HMOs represent a much smaller percentage of clients (5% and 4%, respectively) and visits (both at 3%). Regarding payer mix trends, Ms. Weiss reported that private insurance companies have paid for an increasing share of HHA services in Maryland, gaining the greatest increase in both the number of clients and visits. The second largest increase was for Medicare.

Overview: Suggested New Conceptual Approach

Ms. Weiss provided a general overview of the direction Commission staff is suggesting in the *White Paper* with regard to forecasting need for the update of the HHA Chapter. The current forecasting model is based on a conventional approach that involves using utilization and population data and a set of assumptions about referrals to HHA services to predict future demand levels. Jurisdictions with a sufficient gap between predicted demand and recently observed demand are opened up for consideration of CON applications to serve the jurisdiction. Staff recommends moving away from this approach and replacing it with one that looks at the number of available choices for consumers, the level of market concentration, the availability of good quality HHA services, and other factors in order to qualify jurisdictions for changes in HHA service delivery. Additionally, staff is recommending that applicants would need to

qualify on the basis of performance criteria. This shift to quality and performance measures as key factors in CON regulation parallels the federal government's proposed move to a value-based purchasing program model for HHAs. Ms. Weiss noted that qualifying factors for both jurisdictions and applicants will be the subject of the second HHA Advisory Group meeting.

Home Health Quality Measures

Carol Christmyer described the current "state of the art" in home health quality measurement. Publicly reported and nationally recognized outcome, process and experience of care measures are on the CMS *Home Health Compare* website. In Maryland the *Home Health Compare* measures are displayed on the Consumer Guide to Long Term Care. The outcome and process measures were developed and tested over several years of research and testing and are endorsed through the National Quality Forum Consensus Review Process. Overall, Maryland does well with process and outcome measures when compared with the nation. However, Maryland consumers have consistently reported less satisfaction with the home health care they receive compared to consumers nationally.

The overall parameters of a proposed model for using quality measures in CON decisions are as follows:

- Use selected (not all) measures, a combination of process, outcome, potentially avoidable events and experience of care (HHCAHPS ®)
- Determine a benchmark score for each measure
- Track performance over time
- Achievement of benchmark and improvement in performance as qualifying factors for CON
- Specific measures, benchmark score, and degree of improvement to be determined

Ms. Christmyer noted that this model is similar to models used for quality-based incentive programs for hospitals, such as the Premier Hospital Quality Incentive Demonstration (HQID) and the Maryland HSCRC Quality Based Reimbursement Programs.

CMS has recently announced a Home Health Five-Star Rating System to be implemented this year. The Five-Star system was also described, and this will be assessed for applicability in our use of quality measures.

Mr. Steffen noted that public reporting on quality and performance has three dimensions: 1) consumer use of sites; 2) HHA use for internal monitoring of performance and marketing; and 3) hospital use to assess how agencies are performing in order to better manage the care of discharged patients and reduce readmissions related to poor care management and coordination.

Discussion

HHA Advisory Group members discussed several issues following the presentations. Key points raised during the discussion included the following:

- The observed increase in therapy utilization is due, in part, to Medicare reimbursement incentives as well as by the approval for more therapy services by non-Medicare payers. While commercial and managed care payers are authorizing payment for therapies, they are not for skilled nursing visits related to co-morbidities. Hospitals now expect HHAs to provide therapies rather than the hospital providing such care.

- With recent changes in Maryland’s hospital rate regulation system that became effective in January 2014, HHAs have witnessed that their patients from hospitals are much sicker. Hospitals’ transitional care teams are also sending their own nursing staff to follow their discharged patient, raising concerns about the duplication of services.
- Freestanding agencies expressed frustration with the hospital discharge planning process.
 - Overall, freestanding agencies have seen a decline in the number of referrals from hospitals to their agencies. They suspect that this is because hospitals refer to their own hospital-based agencies or have established “preferred providers” relationships.
 - Freestanding HHA representatives noted that hospital discharge planners tend to refer the more complex and difficult patients to freestanding agencies rather than to their own hospital-based or affiliated agencies. This could potentially affect their performance, since they would have sicker and more complex patients.
- How patients can learn about agency quality was discussed. Some agencies expressed the view that Home Health Compare is not user-friendly and is not an easy website to navigate. Putting the website links for both CMS’ Home Health Compare and MHCC’s Consumer Guide for Long Term Care on the hospital discharge paperwork was suggested; another suggested providing this information at the time of admission.
- The CMS representative, Dr. Alan Levitt, noted that CMS is working on making all the Compare websites more useful in helping consumers to make informed choices, consistent with the ACA requirements. With regard to the CMS proposed Five Star Rating for HHAs, it was noted that a webinar was being held on the same day as this meeting, seeking feedback from the industry.
- The conceptual framework for regulating the supply and distribution of agencies outlined by Ms. Weiss was discussed. Recognition that some jurisdictions are “saturated” and that HHAs in those areas would be negatively affected through an increase in the number of HHAs was noted as an important factor to consider. And, as noted, concern was expressed about using quality and outcome measures as qualifying factors when agencies may have patient populations of differing complexity.

Next Steps:

A Survey Monkey will be distributed to all members to set up meetings for March and April. The focus of the next meeting will be on discussion of qualifying factors for a jurisdiction and for an applicant.

Note: The next meeting of the HHA Advisory Group has been set for March 18th at 10:00 a.m.