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Home health providers likely breathed a sigh of relief when the final payment rule for 2022 pushed the start date for the nationwide expansion of the Home Health Value-Based Purchasing (HHVBP) Model to 2023.

Even so, many providers have begun actively preparing for the model's implementation. Others, however, are taking a more passive approach.

“The biggest way we’ve been preparing for it was by getting our information in a row,” Beau Sorensen, chief operating officer of First Choice Home Health & Hospice, told Home Health Care News.

Founded in 1996, Orem, Utah-based First Choice Home Health and Hospice serves the Wasatch Front region. In addition to core home health and hospice offerings, [the provider delivers a variety of Medicare Part B services](#), including outpatient therapy and Clinical Laboratory Improvement Amendments (CLIA) laboratory services.

Broadly, HHVBP is meant to bridge reimbursement and quality of care, doing so by exposing home health operators to an upward or downward payment adjustment that's based on OASIS items, claims data and HHCAHPS surveys.

The original Medicare demonstration launched in 2016, with only nine pilot states taking part in the alternative payment model. U.S. Centers for Medicare & Medicaid Services (CMS) data shows that nearly 2,000 agencies took part in HHVBP in 2018.

With an industry [made up of nearly 9,900 freestanding home health agencies](#) as of 2019 — according to the Alliance for Home Health Quality and Innovation — this leaves a host of providers that are new to operating under HHVBP.

Such is the case with Sorensen’s First Choice Home Health & Hospice. With about nine months to go before the nationwide expansion, one piece of information the company is focused on is its patient-hospitalization rate, the COO explained.

“We are asking, ‘What was the reason for that hospitalization?’ And drilling down on an individual-patient level,” Sorensen said. “We are looking at each case and seeing if there were any trend lines that indicated why somebody is going to the hospital, or what causes adverse events.”

While overall home health quality improved during the HHVBP demo, some performance measures stayed relatively flat, CMS data suggests. That includes, for example, unplanned acute care hospitalization.

### FFS Claims-Based Utilization Measure Rates

	HHVBP States		Non-HHVBP States	
	PRE-HHVBP	POST-HHVBP	PRE-HHVBP	POST-HHVBP
Unplanned Acute Care Hospitalization/First FFS HH Episodes	<b>15.7%</b>	<b>15.8%</b>	<b>16.3%</b>	<b>15.9%</b>
Unplanned Acute Care Hospitalization/All FFS HH Episodes	<b>17.0%</b>	<b>16.9%</b>	<b>15.9%</b>	<b>15.8%</b>

Source: [CMS \(May 2021\)](#)

Despite the somewhat mixed bag of results, CMS officials have repeatedly cited HHVBP as one of the most successful alternative payment models in the history of the CMS Innovation Center. [Independent analyses have likewise found](#) that a 50-state HHVBP would result in several billion dollars of savings over a 10-year period.

“[HHVBP] is a great example of how the Innovation Center can design successful models that both improve quality for Medicare beneficiaries and lower costs,” Brad Smith, the center’s former leader, said in January 2021.

For a large, multi-state home health company like The Pennant Group Inc. (Nasdaq: PNTG), preparation for the future has meant focusing on the past.

The Eagle, Idaho-based Pennant is a holding company of independent operating subsidiaries that provide health care services through 87 home health and hospice agencies, plus 54 senior living communities. It has locations throughout 14 states.

Specifically, it has been important to identify which of its agencies have seen success during the HHVBP pilot, John Gochnour, Pennant's COO, told HHCN.

"We've had agencies that received a positive adjustment every single year, and during the last few years received really meaningful payment adjustments because of their effectiveness in delivering excellent clinical outcomes," Gochnour said. "It's then taking those best practices and sharing them more broadly across our home health programs."

### **A constant push**

While some home health operators have dedicated HHVBP efforts, others instead are keeping the focus on quality and value-driven care in a more holistic sense.

Take the Lafayette, Louisiana-based home health, hospice and personal care services giant LHC Group Inc., for example. The company had operations in seven HHVBP demo states.

"We get asked a question quite often about [HHVBP], 'What are you doing in those states differently?'" LHC Group Chairman and CEO Keith Myers said at the HHCN FUTURE conference. "But we're doing nothing different in those seven states that we're not doing everywhere."



LHC Group Chairman and CEO Keith Myers at FUTURE 2021 in Chicago. | HHCN Photo

Because LHC Group has so many hospital and health system partnerships, it has always been held to an extremely high standard of care, Myers explained.

"They're constantly pushing us to be better and do more," he added.

Similarly, Visiting Nurse Service of New York (VNSNY) is an organization that was well-suited for the upcoming expansion of HHVBP. To a degree, that's because the nonprofit provider already takes part in value-based arrangements with managed care plans.

Nonetheless, in order to prepare for HHVBP, the company is utilizing a number of strategies.

“In addition to our general attention to the full range of HHVBP and other relevant metrics — as well as a robust people strategy to ensure that we're attracting and retaining the best talent in today's tight labor market — we're developing a number of creative technologies designed to enhance patient communication and satisfaction and reduce hospitalizations,” Dan Savitt, president and CEO of VNSNY, said in a statement to HHCN. “All of which are emphasized in the HHVBP model.”



VNSNY CEO Dan Savitt during the HHCN Capital + Strategy event in Washington, D.C., in 2019 | HHCN Photo

New York-based VNSNY is one of the largest not-for-profit home- and community-based health care organizations in the U.S.

Its offerings include home health, hospice, and palliative care services, in addition to mental health support and more. The organization cares for more than 44,000 patients per day.

Savitt noted that the company's strength in care management and predictive risk analysis will also be important assets in relation to HHVBP metrics.

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*— Pennant COO John Gochnour*



## Voicing concerns

HHVBP has many supporters among the home health industry due to its ability to boost quality scores and Medicare savings. Still, plenty of industry leaders – including VNSNY’s Savitt – have been critical about certain aspects of the model.

One persistent criticism ever since CMS floated the expansion is the concept of having home health agencies “compete” nationally, meaning an agency in rural Idaho could be compared against an urban operator in New York.

“Agencies should be evaluated regionally instead of nationally,” Savitt said. “Hopefully, this refinement will be considered moving forward.”

For context, home health agencies were only compared to their in-state counterparts during the HHVBP demo.

Gochmour also identified HHCAHPS scores as a potential problem area.

“The thing that we have the least control over is the [survey] score because it’s a subjective measure and not an objective measure,” he said. “What we’ve seen throughout the pilot is sometimes that can cause the scores to swing. Is there a better way to measure patient satisfaction?”

Other remaining concerns include the concept of breaking down providers into “large” and “small” categories, with the vast majority of businesses falling into the former group. Many industry advocates also believe high-performing agencies should be eligible for a share of HHVBP’s savings.

Ultimately, providers are getting ready to balance working under HHVBP with the number of ever-present challenges that already exist in the home health sector.

“It’s an incredibly unique environment right now,” Gochmour said. “The labor issues are very real. There are a lot of different challenges that we’re facing, but that’s the nature of operating. We have to be able to address multiple issues in a changing environment at the same time. HHVBP fits nicely in line with our clinical approach and our desire to continuously improve our clinical outcomes.”

## Companies featured in this article:

[First Choice Home Health & Hospice](#), [LHC Group](#), [The Pennant Group](#), [Visiting Nurse Service of New York](#), [VNSNY](#)



## Joyce Famakinwa

Joyce Famakinwa is a Chicago area native who cut her teeth as a journalist and writer covering the worker’s compensation industry and creating branded content for tech companies and startups. When she isn’t reporting the latest in home health care news, you can find her indulging in her love of vintage clothing, books, film, live music, theatre and reality tv.