



Patrick Filbin, January 19, 2024

Generally, home health agencies have expressed dissatisfaction with payment rates and reimbursement policies set by managed care companies. Negotiations around rates can often be contentious.

In 2024, however, providers can win with the correct focuses in mind.

“You don’t want a managed care strategy, you want a value-based care strategy,” Anne Tumlinson, founder and CEO of ATI Advisory, said during Aging Media Network’s Continuum conference. “Managed care is just a financial tool — much like how population-based health demonstration programs like ACOs are financial tools.”

The Washington, D.C.-based ATI Advisory is a health care research and advisory services firm.

Changing the way a home health agency operates is no easy task. In fact, it’s a huge operational shift that Tumlinson has seen firsthand.

“To move from delivering units of service to delivering value is really, really difficult,” she said. “Changing what it is that you sell and how you get paid to do it is a huge undertaking.”

That’s a road Devin Woodley, the VP of managed care contracting with VNS Health, is very familiar with.

New York-based VNS Health is one of the largest nonprofit home-based care organizations in the U.S. It offers home health, hospice, palliative care and mental health support services, among others. It also has its own health plan.

At VNS Health, as the market has changed, Woodley and his staff have focused on marrying what capabilities the agency has to market opportunities.

It also helps that VNS Health is a “payvider.”



Devin Woodley, the VP of managed care contracting with VNS Health, speaks during Aging Media Network’s Continuum conference.

“Working with our health plan, we understand how to take on risk from a large health plan perspective and what health plans’ pain points are,” Woodley said. “From the provider side, we also have a deep understanding of how to take on risk. Now we’re able to bundle that together on the payvider model and figure out where the synergies are between the two sides.”

For agencies who might not be as adept at working with a health plan, Tumlinson said there are a few key points to focus on.

The first is to make sure the clinical model is built for value.

“Do you have a clinical model that can actually deliver outcomes as opposed to just units of service?” she said. “Do you have some kind of a mechanism for aligning payment for those clinical services in a way that rewards you for that value? Whether it’s an ACO contract or a managed care contract, or contract with somebody who’s doing that.”

The second key ingredient is the room for scale.

“Even if you’re not a real estate-based provider like senior living, and you’re an operator that delivers more of a continuum of care in the community, there are lots of ways in which you can attach yourself to scale,”

Tumlinson said. “Partnering with senior living is one of them. So you have to have those three pieces: a clinical model, the financial alignment through contracts and the scale.”

Self-awareness plays a key role in surviving and thriving in today’s market as well.

For VNS Health, there’s an obvious benefit of having its own health plan, but understanding the ins and outs of the health plan helps Woodley and his staff make the most of its partnerships and opportunities.

“We intimately understand — in owning our own health plan — what those silos are that health plans have,” Woodley said. “There’s a lot of grain that falls between those silos and there’s a lot of good eating we can get out of that grain that’s falling between them. Being able to leverage that understanding with our capabilities, matching that up, that’s how we’ve been able to unlock some really good value.”

HHCN is an independent source for breaking news and up-to-date information on the senior in-home care industry. Their coverage spans the home care world specifically, from large, national service providers to independent care companies. Their news and perspective give industry professionals the information they need to make the best decisions in their day-to-day business operations. HHCN has 636,710 monthly visitors.