

# **Home Health Pay for Performance Demonstration Implementation Update**

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The Home Health Pay for Performance demonstration began implementation January, 1, 2008 and will continue through December 31, 2009. CMS is pleased to announce the participation of **569** home health agencies (HHA's) from the following states; Connecticut, Massachusetts, Tennessee, Alabama, Georgia, Illinois and California.

The participating agencies represent more than thirty percent of all Medicare certified home health agencies and over fifty five percent of Medicare home health episodes in the selected states. Participating agencies also provide a diverse representation of home health agency characteristics including: urban and rural locations, small, medium and large agencies, nonprofit, government and proprietary organizations; and freestanding versus hospital based facilities.

CMS would especially like to recognize the cooperation from national and state home health organizations that were important partners in helping to notify the home health organizations about this demonstration.

Under the demonstration, HHAs will be eligible to receive incentive payments if their quality improvement efforts result in the highest performance levels or significant quality improvements as determined by Outcome-Based Quality Improvement (OBQI) measures. The availability of incentive payments will depend on whether the demonstration results in savings to the Medicare program overall. These savings could be generated by reduced use of hospital, emergency room, nursing facility, and other Medicare-covered services as a consequence of improved home health outcomes for patients served by treatment-group home health agencies.

HHAs were randomly assigned to the demonstration study or a control groups. Those agencies assigned to the study group will have their patients' outcomes monitored during the demonstration period. Agencies with the highest level of quality among participants in their states, or with the greatest improvement relative to the previous year, will be eligible for incentive payments.