CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICARE & MEDICAID INNOVATION
Findings at a Glance

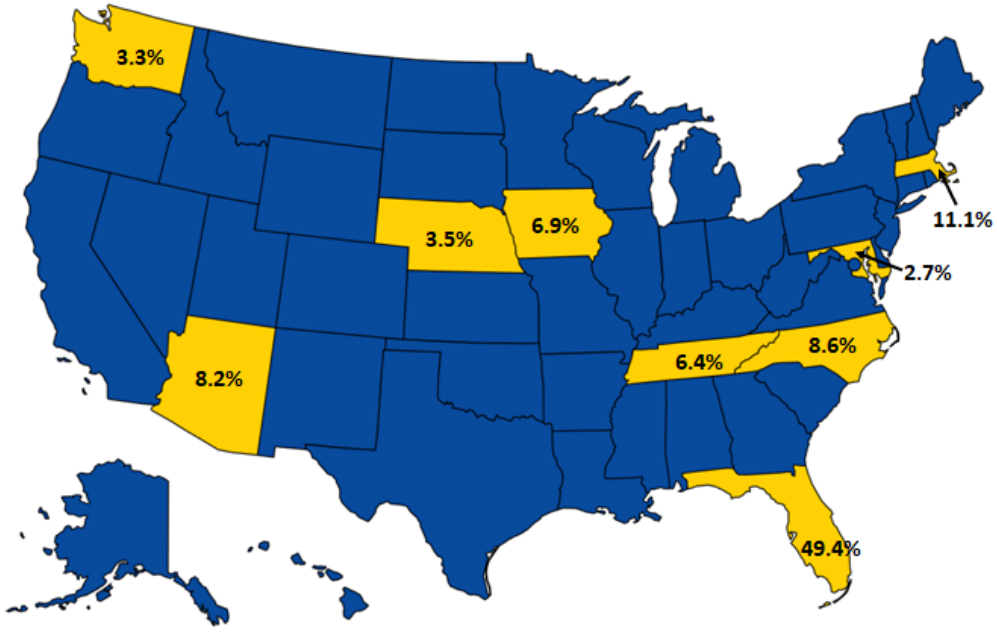
Home Health Value-Based Purchasing Model
Evaluation of all Six Years of the Original Model (2016-2021)

MODEL OVERVIEW

The original Home Health Value-Based Purchasing (HHVBP) Model provided financial incentives to home health agencies for quality improvement based on their performance relative to other agencies in their state. The goal of HHVBP is to improve the quality and efficiency of delivery of home health care services to Medicare beneficiaries. Nine states were randomly selected to participate in the original HHVBP Model CY 2016-CY 2021. Home health agencies in these states received performance scores for individual measures of quality of care that were combined into a Total Performance Score (TPS) to determine their payment adjustment relative to other agencies within their state.

CMS first adjusted Medicare payments by up to ±3% in 2018, using agencies' 2016 TPS. Payment adjustments increased each year, peaking at up to ±7% in 2021, the last year of the original HHVBP Model prior to the nationwide expansion of the model in January 2023. This document summarizes the impact observed in 2016 through 2021, the complete six years of the original model, including all four payment adjustment years.

Distribution (%) of Home Health Agencies in HHVBP Model States, 2021



In 2021, there were approximately 1,952 home health agencies in the nine HHVBP states, representing 19% of all agencies, that provided 2.1 million home health episodes to over 751,000 Medicare beneficiaries.

PARTICIPANTS

All Medicare-certified home health agencies providing services in the following states were included in the original HHVBP Model:

- Arizona
- Florida
- Iowa
- Maryland
- Massachusetts
- Nebraska
- North Carolina
- Tennessee
- Washington

This document summarizes the evaluation report prepared by an independent contractor. For more information and to download the sixth annual evaluation report, visit https://innovation.cms.gov/initiatives/home-health-value-based-purchasing-model.

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FINDINGS

QUALITY AND UTILIZATION

Total Performance Scores were 6% higher among agencies in HHVBP states than agencies in non-HHVBP states in 2021

Decrease in unplanned hospitalizations, ED visits leading to inpatient admission, and skilled nursing facility use by FFS beneficiaries using home health

Offset by unintended 2.1% increase in outpatient ED visits

Agency survey and interviews found few differences in quality improvement approaches between agencies in the original 9 HHVBP states and 41 comparison states

MEDICARE SPENDING

Continued evidence of savings due to HHVBP during 2021, the last year of the original model

$1.38 billion (1.9%) reduction in cumulative Medicare spending, 2016-2021

Largely driven by:

$807.0 million (3.4%) reduction in inpatient hospitalization stay spending

$235.8 million (3.9%) reduction in skilled nursing facility services spending

Also observed reduction in home health spending of $283 million (1.3%)

Offset by:

$99.6 million (6.1%) increase in outpatient ED and observation stay spending

EQUITY AND ACCESS

Modest growth in inequities involving Medicaid patient outcomes under the original HHVBP Model

Persisting overall inequities by race and ethnicity in the use of lower quality agencies, with variation observed among individual counties

No change in overall use of home health services and no adverse effects on access to home health care

PATIENT EXPERIENCE WITH CARE AND FUNCTIONAL STATUS

Although three of five measures of patient experience with care declined slightly, the model improved home health patients' mobility and self-care as well as other aspects of functional status

KEY TAKEAWAYS

The six years of the original HHVBP Model resulted in cumulative Medicare savings of $1.38 billion, a 1.9% decline relative to the 41 non-HHVBP states, as well as improvements in quality. These impacts were observed during 2021, the fourth and final year for quality-based payment adjustments, as well as in the preceding five years of the original model.