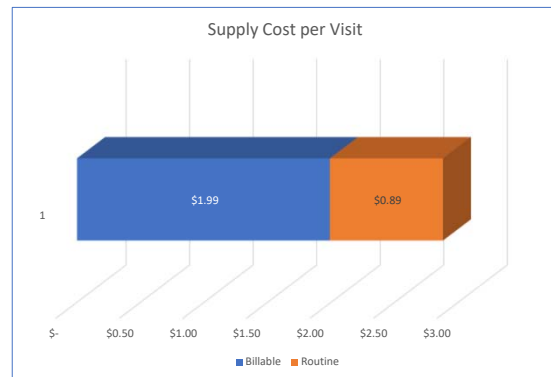
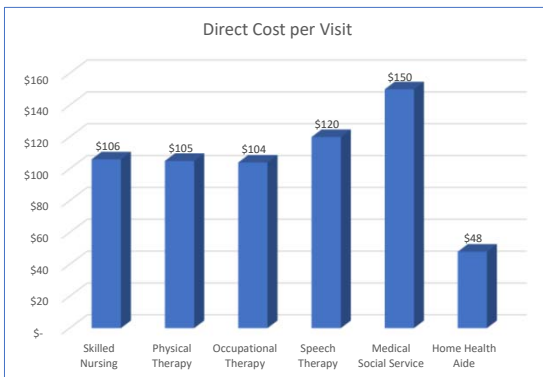


DIRECT COST PER VISIT/DAY

NAHC HHFMA Benchmark of the Month

1

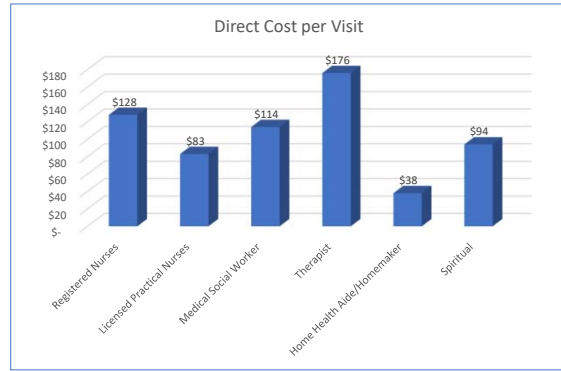
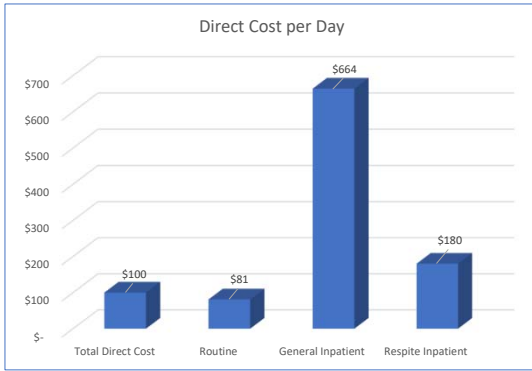
Home Health



Data Source: Simone Financial Monitor June 2019

2

Hospice

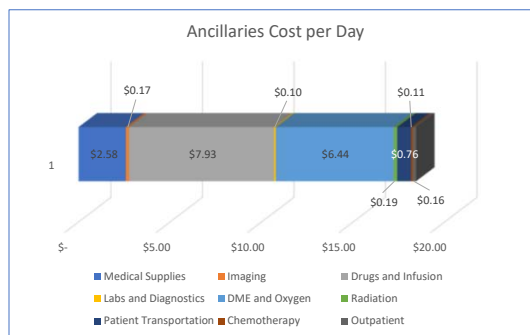


Data Source: Simone Financial Monitor June 2019

3

Hospice (Continued)

- Ancillaries Cost per Day = \$19
- Breakdown:



Data Source: Simone Financial Monitor June 2019

4

How it's Calculated

- Direct Cost per Visit/Day
 - Direct Salaries and Contract Costs:
 - Skilled Nursing
 - Physical Therapy
 - Occupational Therapy
 - Speech Therapy
 - Medical Social Worker
 - Home Health Aide
 - Spiritual Care (Hospice)
 - Benefits associated with Direct Salaries
 - Patient Care Mileage
- Direct Supply Cost per Visit = Total Costs over Total Visits
- Direct Ancillaries Cost per Day = Total Costs over Total Days

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Direct Costs

- Should remain constant (much like gross margin)
 - Can fluctuate if we are not monitoring/controlling drivers
 - Should always be looking to improve
- Drivers
 - Staffing Mix – Salary vs. Per Visit
 - Productivity
 - Visit Utilization
 - Patient Acuity
 - Mileage Reimbursement
 - Supplies/Ancillaries Management

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How to Control/Improve

- Staffing Mix
 - Home Health 70/30 Staffing Ratio
- Productivity
 - Visits per Day
- Mileage
 - Paper/Employee Reported
 - Electronic
 - Monitored/Audited
- Supplies
 - Supply Cabinet vs. Drop-Ship
 - Auditing

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Why it's Important

- Understanding Patient Care Costs
 - What's needed vs. what is provided
 - Clinician Performance
 - Opportunities in Mileage and Supplies
- Break-even volumes
- Contract Negotiations
 - Are we covering our direct costs?
 - The higher the margin and/or more volume you do, the more you cover overhead.

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2020 Home Health Agency Level Impact Assessment

Based on the 2020 Home Health Final Rule

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2020 HHA Level Impact Assessment

- What is it?
 - File released by CMS with final rule based on the data included in the LDS
 - Includes all HHAs with Medicare claims from 2018 identifying CCN, city, state, facility type, ownership, location (urban/rural), and census division
 - Includes Nursing to Therapy ratio quartile classification
 - Skilled Nursing visits/Total Therapy visits
 - 1st Quartile is lowest 25% nursing ratio, 4th Quartile is top 25% nursing ratio
 - Projects volume of 30-day periods compared to 60-day episodes
 - Projects PPS reimbursement and PDGM Reimbursement (using 2020 final rule rates) for 2018 claims
- Where can I find it?
 - <https://www.cms.gov/Center/Provider-Type/Home-Health-Agency-HHA-Center>

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2020 HHA Level Impact Assessment

- How do I use it?
 - Compare yourself to HHAs:
 - By state
 - By city
 - By facility type
 - By ownership
 - By census division
 - By Nursing to Therapy ratio
 - Compare projected PPS episode volume to PDGM period volume
 - Compare projected PPS reimbursement to projected PDGM reimbursement
 - Both non-behaviorally adjusted projections and behaviorally adjusted projections available for PDGM revenue

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2020 HHA Level Impact Assessment

Agency	30-Day Periods	60-Day Episodes	Total \$, PPS	Total \$, PDGM (No BAs)	Total \$, PDGM (3BAs)
Agency 1	308	187	\$387,114	\$461,171	\$476,430
Agency 2	927	524	\$1,225,550	\$1,267,378	\$1,273,230
Agency 3	1,205	675	\$1,687,492	\$1,603,517	\$1,591,825
Agency 4	2,296	1,269	\$3,294,065	\$3,182,977	\$3,190,488
Agency 5	3,616	2,020	\$5,119,073	\$5,131,529	\$5,119,478
Agency 6	3,210	1,774	\$4,756,985	\$4,745,517	\$4,712,591

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2020 HHA Level Impact Assessment

Agency	30-Day Periods	60-Day Episodes	Total \$, PPS	Total \$, PDGM (No BAs)	Variance Total \$, PPS-PDGM (No BAs)	% Difference Total \$, PPS to PDGM (No BAs)
Agency 1	308	187	\$387,114	\$461,171	-\$74,058	-19.1%
Agency 2	927	524	\$1,225,550	\$1,267,378	-\$41,829	-3.4%
Agency 3	1,205	675	\$1,687,492	\$1,603,517	\$83,974	5.0%
Agency 4	2,296	1,269	\$3,294,065	\$3,182,977	\$111,088	3.4%
Agency 5	3,616	2,020	\$5,119,073	\$5,131,529	-\$12,457	-0.2%
Agency 6	3,210	1,774	\$4,756,985	\$4,745,517	\$11,468	0.2%

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2020 HHA Level Impact Assessment

Agency	Total \$, PPS	Total \$, PDGM (No BAs)	Total \$, PDGM (3BAs)	Variance Total \$, PDGM (No BAs)- PDGM (3 BAs)	% Difference Total \$, PDGM (No BAs) to PDGM (3 BAs)
Agency 1	\$387,114	\$461,171	\$476,430	\$15,259	3.3%
Agency 2	\$1,225,550	\$1,267,378	\$1,273,230	\$5,852	0.5%
Agency 3	\$1,687,492	\$1,603,517	\$1,591,825	-\$11,692	-0.7%
Agency 4	\$3,294,065	\$3,182,977	\$3,190,488	\$7,511	0.2%
Agency 5	\$5,119,073	\$5,131,529	\$5,119,478	-\$12,051	-0.2%
Agency 6	\$4,756,985	\$4,745,517	\$4,712,591	-\$32,926	-0.7%

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2020 HHA Level Impact Assessment

- Limitations

- Based on 2018 claims data
- Omitted ~15% of claims based on the inability to find matching OASIS to the claims
- PDGM financial projections don't mirror the final rule adjustments
 - Projected PPS reimbursement uses the projected 2020 60-day episodic rate of \$3,220.79
 - Projected PDGM reimbursement (No BAs) uses the projected 30-day periodic rate of \$1,949.00
 - Projected PDGM reimbursement (3 BAs) uses the projected 30-day periodic rate of \$1,785.91 (an 8.39% decrease from the \$1,949.00 base rate)
 - The actual PDGM 30-day periodic reimbursement is \$1,864.02 (a 4.36% decrease from \$1,949.00 base rate)
- Why do some of the agencies have an increase in reimbursement comparing PDGM (No BAs) to PDGM (3 BAs)?
 - CMS modeled the actual behaviors into 50% of claims (not on provider by provider basis)

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2020 HHA Level Impact Assessment

Behavior Assumption	30-Day Budget Neutral Standard Amount	Percent Change from No Behavior Adjustment
No Behavior Assumption	\$1,908.18	N/A
Comorbidity Coding - assigns comorbidity level based on comorbidities on HHA claims and not just OASIS	\$1,903.46	-0.25%
LUPA Threshold - 1/3 of LUPAs are 1-2 visits from threshold receive extra visits and become case-mix adjusted	\$1,872.33	-1.88%
Clinical Group Coding - among available diagnoses, one leading to highest payment clinical group classification designated as primary	\$1,786.13	-6.40%
Comorbidity Coding + LUPA Threshold + Clinical Group Coding	\$1,748.11	-8.389%

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2020 HHA Level Impact Assessment

Behavior Assumption	30-Day Budget Neutral Standard Amount	Percent Change from No Behavior Adjustment
No Behavior Assumption	\$1,908.18	N/A
Comorbidity Coding + LUPA Threshold + Clinical Group Coding	\$1,824.99	-4.36%

CY 2019 National Standardized 60-Day Episode Payment	Wage Index Budget Neutrality Factor	CY 2020 HH Payment Update	CY 2020 National Standardized 60-Day Episode Payment
\$1,824.99	1.0063	1.5%	\$1,864.03