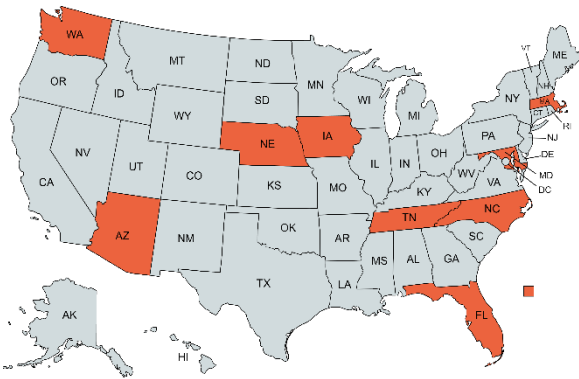




## Impact of the Home Health Value-Based Purchasing Model

The Centers for Medicare & Medicaid Innovation (CMMI) implemented the Home Health Value-Based Purchasing (HHVBP) model in January 2016 to support greater quality and efficiency of care among Medicare-certified Home Health Agencies (HHAs). The model shares a similar goal as other CMMI models – to build a health care system that delivers better care and reduces costs to improve the health and wellbeing of individuals and communities.

The HHVBP was developed under the authority of section 1115A of the Social Security Act and finalized in the 2016 Home Health Prospective Payment System final rule. Leveraging the lessons learned from other value-based programs, the HHVBP model is designed to improve the quality and delivery of home health care services to Medicare beneficiaries. Specific goals of the model include: **(1)** providing incentives for better quality care with greater efficiency, **(2)** studying new potential quality and efficiency measures for appropriateness in the home health setting, and **(3)** enhancing the current public reporting process.



CMMI launched the HHVBP on January 1, 2016 as a mandatory model for HHAs in nine states. CMMI aimed to represent each geographic area in the U.S. and thus all Medicare-certified home health agencies in Massachusetts, Maryland, North Carolina, Florida, Washington, Arizona, Iowa, Nebraska, and Tennessee were selected to participate in the model. The model was designed to minimize selection bias, ensure participants are representatives of home health agencies nationally, and include a population large enough to generate meaningful evaluation results. The model ties payments to performance on quality measures with each participating HHA having their payments adjusted each year either upward or downward. The payments are determined by comparing a home health agency's quality performance to other agencies in its state.

Performance Year	Payment Adjustments (+/-)
2022	8 percent
2021	7 percent
2020	6 percent
2019	5 percent
2018	3 percent
2017	-
2016	-

**The Home Health Value-Based Purchasing model has improved quality while reducing Medicare spending, fulfilling all requirements for model expansion as laid out by Congress.**

## Impacts of the Home Health Value-Based Purchasing Model

The evaluation reports of the first four years of the model have shown that the HHVBP has resulted in a cumulative Medicare savings of \$604.8 million, a 1.3% decline relative to the non-HHVBP states. The fourth annual evaluation report included the following findings:

The model has resulted in an average 4.6% improvement in home health agencies quality scores and an average annual savings of \$141 million to Medicare.

1. **Overall agency quality performance continues to be higher in HHVP states with 8% greater average scores than the comparison group in 2019.**
2. **There was a decrease in total Medicare spending, including a decrease in Medicare spending specifically as it relates to inpatient services and skilled nursing facility (SNF) visits;** Medicare spending on emergency department visits and observation stays increased.
3. **A decrease in unplanned acute care hospitalizations,** but an increase in outpatient emergency department visits.
4. **There was an increase in patients being discharged to the community and an improvement in functioning,** but agency communication with patients and discussion of care with patients decreased.

In recent model evaluations, HHAs have stated that the model is complementary to other CMS quality initiatives and report leveraging data analytics in coordination with staff training to improve performance and care delivery. This finding illustrates the importance of model cohesion and coordination to successful delivery of high-quality care.

Although the evaluations did highlight areas of the HHVBP model that could be further improved, the overall evaluation findings show that the model has improved quality while reducing costs and utilization for some services. In January of 2021 the CMS announced the certification and expansion of the Home Health Value-Based Purchasing Model in more geographic areas. The results of the HHVBP model are promising and the Task Force supports CMS's notice of intent to expand the model (the new administration has not indicated to date any intent to change plans regarding this model's expansion plans). CMS should design the expanded model to include new strategies that better engage patients, which would address an important concern raised in recent model evaluations,

### Resource Links

#### CMS Evaluations

- [First Evaluation Report](#)
- [Second Evaluation Report](#)
- [Third Evaluation Report](#)
- [Fourth Evaluation Report](#)



Established in 2014, The Health Care Transformation Task Force brings together patients, payers, providers, and purchaser representatives to act as a private sector driver, coordinator, and facilitator of delivery system transformation. In addition to serving as a resource and shared learnings convener for members, the Task Force is also a leading public voice on value-based payment and care delivery transformation.