

Home Care in Health Reform: Threats and Opportunities for home health care!

Many people are wondering what is ahead for home care in health reform and how to get on the home care opportunity bus! The fact is, we have all been on the road to reform for many years. Many of the principles of health reform are not foreign. However, the ability to apply those principles in partnership with other entities will be crucial in the new models of care evolving in health reform. Agencies that are successful during the health reform process are those who will be able to build partnerships in the community and break down silos of care. Home care agencies who do not become part of the process, will be left behind.

The road to reform includes opportunities, but also some major threats along the way. First of all, there are new regulations and reimbursement cuts that home health agencies are facing. With the cuts that are mandated by health reform, it is estimated that nearly half of agencies nationwide will have a negative margin by 2012.

In addition, the industry faces increased scrutiny as the government tries to weed out fraud and abuse. Although weeding out fraudulent agencies and fraudulent practices is a good thing and HCAW definitely supports getting rid of fraud and abuse, there are increased costs to those agencies that have to undergo audits and to all agencies as they have to spend time and resources to prepare for potential audits.

To mitigate these threats, agencies and their staff will be asked to join in grass roots efforts to contact congressmen in the fight to preserve funding for home health care. This is a critical time to become politically involved as the health care dollars are spread thin. We all know that cutting home health funding will result in higher rehospitalization rates and increased costs in the long run. We must share our knowledge and concerns with our elected officials.

In addition, as costs are going up and reimbursement is being cut, agencies will need to do all they can to focus on ways to improve their efficiency. For example, they may consider utilizing LEAN principles which focus on providing value to the customer (patient) while eliminating unnecessary work....cutting the weight/fat out of the process. Home care managers can learn processes that work for others by networking with other agencies and by accessing free resources that are available through the Home Health Quality Improvement (HHQI) campaign and through their state and national associations.

To mitigate the threat of an audit, agencies should develop a corporate compliance plan. For agencies that already have one, review and update it. For agencies that don't have one, now is the time to develop one. Components of a plan include: appointing a compliance officer, identifying risk areas, educating/training staff about risk areas and about fraud and abuse, identifying actual or potential issues and investigating reports of risky behaviors of staff and taking appropriate action. Agencies also need to keep records of their program including training that was provided to staff.

So, what are the opportunities? There are opportunities for home health in health reform. Those opportunities exist in building on knowledge and skills that agencies already have and advancing home care practice to a new level.

The Affordable Care Act calls for establishment of a Center for Medicare and Medicaid Innovation within CMS by 1/1/11. This entity is to test innovative payment and service delivery models that decrease expenditures while preserving or enhancing quality.

Consistent messages that appear in the health reform act are the following:

Patient Centered care delivery

Enhanced coordination of care

Use of telehealth and technology to promote real time information sharing

Team based care

Services for chronically ill at high risk for hospitalization

Reduced hospitalization and readmission rates

Best practices and proven methods

These concepts are not new or foreign. However, agencies tend to think of these within the context of their own agencies. Agencies are going to have to be able to improve upon ability to decrease costs of service delivery across systems of care. They will have to learn how to **partner** in approaches and break down silos of care to be more effective.

To be an effective partner in health care reform, home health agencies will need to be a strong player in chronic care management, hospital readmission reduction and discharge/transition planning.

80% of Medicare /Medicaid spending is on patients with 5 or more chronic conditions and this population also has the highest rate of rehospitalization. Rehospitalization is where the majority of the cost is realized. Consequently, it is easy to see why case management of chronic conditions is a major focus.

Unplanned admissions to the hospital cost Medicare \$17 billion per year. Hospitals are now going to be penalized by cuts in reimbursement for readmissions. Although this new penalty is a huge threat for hospitals, it presents an opportunity for home health because home health has proven their effectiveness at reducing rehospitalization rates and can assist hospitals in avoiding these penalties.

Home health relationships with hospitals will need to change from one way referral relationships to real partnerships in which home care agencies work with the hospital on strategies to improve communication and discharge planning systems to prevent unnecessary hospitalizations. Strategies that home health agencies can build on are: **admission planning**, that is, strengthening their efforts in the admissions process, just as hospitals are focusing on enhancing the discharge process; **front loading visits**, visiting patients more frequently in the beginning of care when most readmissions occur; **medication reconciliation**, something that is almost always a issue at the initiation of care; and use of **telehealth**, as a few examples.

20% of readmissions are in the first 30 days post hospitalization and most are for a condition other than what the patient was initially admitted for. This fact, in itself, is a strong argument for home health; home health clinicians assess patients for early signs of complications and keep physicians informed about new concerns or exacerbations of the patient's condition. By providing care in the patient's home, home health clinicians are able to observe and address social, environmental and economic barriers that affect the patient's condition and plan of care. Patients tend to place great trust in their home health providers; they will share critical information with them that they have not shared with other health care providers.

What does all this mean to home care agencies??

The challenge to home care is this: become part of the process!

Stay tuned in to what is happening locally, in the state and nationally.

Build on relationships that you have in the community: look for potential partnerships with medical homes, hospitals and accountable care organizations.

Participate in the Home Health Quality Initiative campaign which provides free downloadable tools and information to assist agencies in reducing hospitalization rates.

Know your Acute Hospitalization Rate; continue to work on improving this number and use it in your marketing efforts with hospitals, medical homes and accountable care organizations.

Identify potential opportunities in your agency in care teams, care coordination, telehealth and service delivery.

Strengthen your clinicians' knowledge and ability to manage chronic disease

Shore up case management and after hours services.

Assess your strengths....build on those with community partners.

What does this mean to the Home Care Association of Washington? Our state association sees its' role as the following:

- To provide timely and appropriate education and information that will assist members in the change process.
- To serve as a catalyst with other community partners to promote the inclusion and active participation of home care in new models of care.
- To stay attuned and keep members informed regarding state and federal rule making to represent interests of the home care industry as health reform becomes reality.
- To research grant opportunities for membership through the Alliance for Healthy Communities.

Let's join together in this time of change! Now is the time to be a member of your Home Care Association! Together, we are much stronger than we are as individual agencies. Let's make our collective voice heard in support of each other and in support of home care!