



September 6, 2011

Dr. Don Berwick  
Administrator  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
Attn: CMS-1353-P  
Mail Stop C4-26-05  
7500 Security Blvd.  
Baltimore, MD 21244-1850

Re: Medicare Program; Home Health Prospective Payment System Rate Update for  
Calendar Year 2012 (CMS-1353-P)

Dear Dr. Berwick:

I am writing on behalf of the Alliance for Home Health Quality and Innovation (the "Alliance") in response to the Centers for Medicare and Medicaid Services ("CMS") proposed rule on the Medicare home health prospective payment system ("HHPPS") rate update for CY 2012. The Alliance appreciates the opportunity to provide comments on the proposed rule.

Founded in 2008, the Alliance for Home Health Quality and Innovation is a national consortium of home health care providers and organizations dedicated to improving individual patient care and the nation's health care system by supporting research and education to demonstrate the value that home-based care can provide. Home health care providers deliver high quality, cost-effective, patient-centered, skilled care to patients in the United States every day.

The Alliance has comments in the following three areas: (I) the home health care quality reporting program; (II) the proposed CY 2012 payment update; and (III) research related to using skilled home health care to improve quality, outcomes and efficiency in the U.S. healthcare system.

## **I. Home Health Care Quality Reporting Program**

The Alliance supports improving the quality of care that Medicare and Medicaid beneficiaries receive and participates as a member in the National Quality Forum and the National Priorities

Partnership. We have been pleased to work with CMS on various quality-related initiatives such as the Home Health Quality Improvement National Campaign (HHQI), in which several Alliance members participate as members of the HHQI Executive Steering Committee to develop best practices. In addition, the Alliance is committed to improving care coordination and care transitions. In 2010, the Alliance members worked with CMS to secure home health agency engagement in their Care Transitions demonstration project. We then conducted a summit focused on addressing how to improve care transitions. We are planning a follow-up summit on care transitions in the spring of 2012 and we are committed to furthering advancements in this issue area.

Moreover, skilled home health care provides value to individual patients by improving patient outcomes and quality of care. We provide the following patient profile as an example of the positive impact home health can have on a patient with multiple chronic conditions, helping the patient manage her medications, resume activities of daily living, and avoid hospitalization.

*The Patient: An 85-year-old woman who lives alone and has multiple chronic conditions—chronic obstructive pulmonary disease, a past history of congestive heart failure, high blood pressure, chronic back pain, nicotine use and chronic kidney disease—is discharged from the hospital after being treated for community acquired pneumonia and exacerbation of her COPD. She is sent home with several new medications, including continuous administration of oxygen, bringing her total number of medications up to 20. She is not mobile or independent enough to access the second floor of her two-story apartment (where her bedroom and bathroom are), and she is short of breath at rest and at risk of falls due to weakness, unsteady gait and hazard presented by oxygen use. She does not have energy to perform tasks of daily living. She smokes one to two packs of cigarettes a day and had turned down smoking cessation interventions while in the hospital.*

*Home Health Care: On her doctor's recommendation, she is admitted for home healthcare services, including skilled nursing, and physical and occupational therapy. The nurse discovers differences in the medications prescribed in the hospital and what she had been taking at home. The nurse works with the patient's primary care physician to get the drug regimen in reconciled order and then educates and coaches the patient on how and when to take the medications. The nurse also educates and coaches the patient on better management of her chronic illnesses, including smoking cessation. An occupational therapist works with the patient so that she can resume activities of daily living. A physical therapist develops a home exercise program, educates her on fall prevention techniques and techniques to alleviate back pain. The physical therapist assesses for, and advises on, potential hazards.*

*The Outcome: The patient has been able to live more independently and safely at home and has been able to avoid costly and unnecessary rehospitalization. She avoided inpatient rehabilitation after discharge from the hospital. At discharge from home health services, she has been weaned off oxygen during the day and could safely engage in activities of daily living (e.g., reach her upstairs bedroom and bathroom, prepare meals for herself, and bathe herself). She was only short of breath upon exertion and able to go outdoors. She was smoke-free at discharge. She was able to take her medications independently and*

*accurately, as ordered by her physician. She now understands better her conditions and how to work toward avoiding unnecessary future hospitalizations. The home health agency collaborated with the patient's primary care physician to ensure optimal outcomes and helped to coordinate her care within the healthcare system.*

This is just one example of the positive difference skilled home health care can make in the lives of Medicare beneficiaries. The Alliance looks forward to continuing to work with CMS to improve patient care in the future.

The Alliance has the following comments in relation to home health care quality reporting.

#### A. Home Health Care CAHPS Survey

The Alliance supports the expansion of the home health quality measures reporting requirements for Medicare-certified agencies to include the Home Health Care Consumer Assessment of Healthcare Providers and Systems (“HHCAHPS”) survey for the CY 2012 annual payment update. In order to achieve truly patient-centered health care, the Alliance believes that patients’ experiences should be collected, measured and publicly reported. Particularly for home health care, where care is provided in the patient’s home, each individual patient’s experience of the care they receive from home health agency professionals is an important component of what constitutes the quality of care. The Alliance applauds the use of HHCAHPS surveys and their linkage to the pay-for-reporting requirements affecting the HHPPS rate update for CY 2012.

#### B. Emergency Department Use without Hospitalization

The Alliance supports the use of Medicare claims data as a means of both enhancing the accuracy and robustness of data on “Emergency Department Use without Hospitalization,” and reducing the home health agencies’ burden of obtaining accurate information on this measure. To date, when home health agencies have reported this information, it has been based on information provided by patients or their families. Unfortunately, reliable information based on patient or family recall may be difficult to obtain and the Alliance believes that obtaining the information from claims data would improve accuracy.

The Alliance further supports the use of Medicare claims data to determine acute care hospitalization rates. Such a change would also likely improve the robustness and accuracy of the data and would alleviate the burden of home health providers reporting on this measure.

#### C. Harmonization of Measures Across Settings

CMS has articulated a desire to harmonize quality measures across various care settings. The Alliance supports and encourages CMS to harmonize quality measures across various care settings because the future of health care will likely involve increasingly integrated health care delivery systems. Harmonized quality measures will help to facilitate the exchange of critical

health information among providers/settings and will make it possible to align different providers and professionals' incentives to improve quality against the same or similar measures. This is a critical component to ensure that the health care delivery reforms that CMS is leading will reap overall quality improvement throughout the health care system.

We note that harmonization should consider how to approach interpretation and application of measures in different care settings, and should be appropriately tailored to account for such differences. In addition, the challenge of integrating harmonized quality measures may vary depending on the provider or setting. For example, hospitals and physicians are receiving meaningful use incentives for the adoption of health information technology, while home health providers are not. Parity for such incentives would likely help to improve the ability to achieve adoption of harmonized quality measures in all settings. Finally, we note that field testing such measures will be key to ensuring that the harmonization is successful.

## **II. Proposed CY 2012 Payment Update**

The Alliance supports the pursuit of cost effective, high quality health care in the United States and understands the complexity of the CMS's statutory requirements in implementing HHPPS and the impact HHPPS has had on home health care. For example, one favorable effect of CMS's implementation of HHPPS has been that home health agencies are increasingly focused on working to improve care coordination within inter-disciplinary teams of health professionals. Home health agencies have been re-examining their efforts to coordinate care by improving case management and identifying when a given patient requires alteration in treatment strategy. Improving care coordination can improve both quality and efficiency of care, and benefits both the Medicare program and individual patients.

***Notwithstanding, the Alliance is gravely concerned about the negative impact that blunt, across-the-board payment reductions for Medicare home health care services may have on both quality of, and access to, care.*** Whenever significant Medicare payment cuts are proposed, a critical consideration is what impact there will be on beneficiaries.

Prior to CMS's issuance of the CY 2012 HHPPS proposed rule, CMS contracted with L&M Policy Research, LLC to study and report on, among other topics, access to home health care and payment adequacy for vulnerable populations. This study was commissioned pursuant to section 3131(d) of the Patient Protection and Affordable Care Act (ACA). A literature review was prepared for CMS as part of this home health study report and was issued on January 11, 2011.<sup>1</sup> Although the L&M Policy Research study is on-going, the literature review pointed to some key populations for which access to care may be a concern. In particular, the literature review notes concerns about potential unmet health needs of low-income beneficiaries who do not meet Medicaid eligibility requirements.<sup>2</sup> In addition, although the literature review found limited

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<sup>1</sup> Home Health Study Report: Literature Review, Prepared for the Centers for Medicare and Medicaid Services, Prepared by Dey et al., L&M Policy Research, LLC (HHSM-500-2010-00072C) (January 11, 2011) (hereinafter "L&M Literature Review") (The Report can be found at:

[https://www.cms.gov/HomeHealthPPS/Downloads/HHPPS\\_LiteratureReview.pdf](https://www.cms.gov/HomeHealthPPS/Downloads/HHPPS_LiteratureReview.pdf))

<sup>2</sup> L&M Literature Review at 43.

research on home health access for beneficiaries in medically underserved areas, the report states that “[r]ural areas often experience a greater need for home care services coupled with lower utilization rates than urban areas.”<sup>3</sup> Finally, the report states that there is anecdotal evidence of “some access concerns for high-severity patients.”<sup>4</sup> The Alliance looks forward to completion of the full study, but is concerned that if access to home health care is already a potential issue for certain vulnerable populations, then across-the-board payment reductions for the care provided to these populations are likely to worsen the extent of any existing access issues.

***The Alliance strongly urges CMS to avoid making payment cuts that will exacerbate access issues that exist for vulnerable populations. We recommend that CMS seek alternative ways to structure Medicare’s home health payments to protect the most vulnerable beneficiaries while reducing Medicare costs and improving quality of care.***

By way of example, the proposed rule describes recent changes to the way home health outlier payments are set and the considerable Medicare cost savings that has resulted from the outlier payment limits that began in CY 2010. The Alliance’s members have been strong, longstanding supporters to reforms in the way CMS structures outlier payments as a means to address program integrity concerns with excessive outlier payments in certain targeted, isolated areas of the country. According to Table 18 in the proposed rule, CMS projects that the CY 2010 outlier payment percentage was 1.68%, down from 6.37% in CY 2009. CMS’s recent changes in the outlier policy are an example of how Medicare payment policy can be selectively altered to reduce program cost significantly, without adversely affecting patient care. Alliance members have supported a 10% agency level cap on outlier payments since the inception of this approach and believe that this targeted policy change is an example of how substantial Medicare savings can be garnered by addressing program integrity concerns, instead of making blunt across-the-board payment cuts that threaten patient access. The Alliance stands ready to work with CMS to find additional ways to structure home health payments to reduce Medicare costs and enhance program integrity, while protecting the most vulnerable beneficiaries.

The Alliance also encourages CMS to continue pursuing initiatives that have been directed at paying for home health services based on performance against quality measures. When coupled with patient satisfaction data (HCAHPS) results, such “value-based purchasing” (or pay-for-performance) approaches are ones that the Alliance supports, provided they are well structured and implemented, using valid and reliable measures. By varying Medicare payment based on quality of home health care services, Medicare can both reduce health care costs and improve quality of care. As evidence of this proposition, CMS announced that it was sharing \$15 million in Medicare savings that were gleaned through the agency’s Medicare Home Health Pay for Performance demonstration project. The Alliance looks forward to publication of the full evaluation of this demonstration project as it will likely be instructive regarding how to structure and implement a Medicare home health value based purchasing program. As you have already stated, “[b]y incentivizing Home Health Agencies to improve the quality of care for Medicare

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<sup>3</sup> L&M Literature Review at 44.

<sup>4</sup> *Id.*

beneficiaries that receive home health services, we can inspire savings for Medicare while at the same time improving outcomes and safety.”<sup>5</sup>

***The Alliance therefore recommends that CMS seek payment system reforms that are value-based, correlating rate-setting practices to quality of care.*** CMS has been collecting OASIS-C data as a means of measuring home health quality of care and, although this data is self-reported, the OASIS-C outcome measures could serve as a starting point. The Alliance would be pleased to work with CMS and other stakeholders (including those from the home health community) to develop and implement such value-based purchasing programs and other reforms. We note that if Medicare patients are receiving high quality of care (whether through condition stabilization or improvement), this should be a critical consideration in CMS’s determination of how and where to impose payment reductions.

### **III. Research on Using Home Health Care to Improve Quality, Outcomes and Efficiency**

Finally, the Alliance notes its commitment to working with CMS to develop solutions to the nation’s health care problems and is investing in research that may shed light on how skilled home health care can be used optimally to improve quality, outcomes and efficiency of healthcare in the United States. We have commissioned a multi-year qualitative and quantitative study by Dobson DaVanzo & Associates to examine the value proposition of home health within the Medicare program. This study will examine the extent to which home health can be used to reduce overall Medicare expenditures and hospitalizations. We hope this work will be informative for CMS as it implements the numerous programs, pilots and demonstrations that are contained in the ACA and we would like to meet with CMS staff to discuss the relevance of this study to various Medicare program initiatives that involve home health care.

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Thank you again for the opportunity to comment on the CY 2012 home health prospective payment system proposed rule. Should you have any questions, please contact me at 202-239-3671 or [tlee@ahhqi.org](mailto:tlee@ahhqi.org).

Sincerely,

/s/

Teresa L. Lee  
Executive Director

Cc: Liz Richter

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<sup>5</sup> CMS press release, “Home Health Agencies Share \$15 Million in Savings From CMS Quality Demonstration” (July 5, 2011) found at: <http://innovations.cms.gov/wp-content/uploads/2011/07/HHP4P-Year2-incentive-announcement-clean-final-07-05-2011.pdf>

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