



White paper

# Home Health Value-Based Purchasing: 8 steps to build your competitive edge

## Introduction

The national expansion of Home Health Value-Based Purchasing (HHVBP) is up and running, with 2023 marking the first performance year upon which agencies will either be rewarded or penalized in 2025, based on comparison to other providers. The value-based reimbursement model, created by the Centers for Medicare & Medicaid Services (CMS), rewards providers for the quality of care provided, as opposed to previous models that paid for quantity of services provided. In essence, the expanded HHVBP model has started a national competition for quality outcomes, as agencies learn how to best drive value-based success for patients served, as well as market value and positioning.

Studies have shown that improving a patient's health outcomes relative to the cost of care can be beneficial across the healthcare system for patients, providers, health plans, employers, and government organizations. In fact, since the 2016 rollout of HHVBP in nine states, the model has resulted in an average 4.6% improvement in home health agencies' quality scores and an average annual Medicare savings of \$141 million. This success led to the national expansion of the HHVBP model. This model will impact agency payment in 2025, either rewarding top competitive outcome performance or imposing a penalty if performance falls below the national benchmark group. HHVBP impacts all certified home health agencies, so it's crucial that you and your team actively address strategic preparation for success now.

We've teamed up with experts in home health operations, performance, and technology to help support your success under HHVBP. Use this guide to understand the steps you should take to thrive within this competitive home health payment structure.

# STEP 1

## Understand the fundamentals of HHVBP

The CMS calendar year (CY) 2023 home health final rule confirmed that the baseline year is 2022 for all agencies certified through 2021. For agencies certified in 2022 or later, your baseline year will be the first full year of service provision. Your agency's baseline performance will become your agency's starting point for calculating your Total Performance Score (TPS). The expanded HHVBP model is finalized to compare agencies nationally in large and small cohorts, versus the prior state-by-state comparison.

For agencies certified through 2021, your first performance year of 2023 will be used to determine your payment adjustment in 2025. Your 2023 outcomes will be compared against your 2022 baseline year outcomes, relative to the national competition benchmark. The HHVBP model penalizes poorly performing agencies up to 5% of their baseline Medicare reimbursement. That money (that was paid in as a penalty) will then fund the incentive payment for the higher performing agencies across the nation, up to a 5% gain of potential Medicare revenue. Essentially, agencies will receive a penalty or a bonus, depending on their performance, fueling a new level of quality-driven competition.

Aligning your resources now to be competitive in the HHVBP model is vital. To best prepare for the payment shift, dig deep into your agency culture,

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organizational practices, data, and educational approaches to understand where you stand in the competitive market. Then, determine what you need to do to maintain or improve your home health agency's performance.

## Align your team to succeed in HHVBP

### Gather your agency's current performance data

Agency leadership must first gain a clear understanding of their performance data, including how it compares, nationally, to best-practice performance. Understanding your performance factors is key to allocating the right resources as you move forward under HHVBP. Ask yourself these questions:

- Have you assessed, to the best of your ability, your 2022 baseline year data for the specific measures used within HHVBP calculations?
- Have you compared those findings to national data?
- Have you identified where your performance fell short and where it excelled?

Aligning your Quality Assurance and Performance Improvement (QAPI) efforts to set you up for success under HHVBP is vital for your first performance year. Understanding today's performance in foundational OASIS competence, customer satisfaction, and your ability to keep patients out of the hospital is critical as you set your QAPI and education strategy for competitive improvement.

### Align on messaging and empower teams with the right tools

Now is the time to lead a unified, proactive, and data-informed approach to quality improvement. Aligning the messaging used to support value-driven care on behalf of the patients you serve will help agencies unite and strengthen a clinical culture dedicated to excellence. Empowering excellence strengthens a unified approach by adding tools which provide both clinical decision support and value-based performance insight in real time.

Positioning HHVBP in the right way for your team is particularly important and starts at the top. Agency leadership should set clear expectations of performance and make sense of what is expected and why. It is important to communicate your organization's commitment to improving the effectiveness of patient care. In addition to providing your team with the right tools to understand and improve performance, we recommend providing targeted education for key stakeholders to empower them with the information they need, framing HHVBP as a progression in payment guidelines intended to improve outcomes for the patients you serve. It may be beneficial to tenured clinician acceptance if leadership acknowledges that prior payment models incentivizing visit quantity often resulted in bad habits

of equating visit frequency with good outcomes and higher dollars. This ultimately hindered progress in care planning excellence.

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## Achieve OASIS proficiency

Building OASIS confidence and competence is a key step toward better care planning, accurately capturing risk and revenue, and achieving top-notch outcome performance under HHVBP. CMS uses OASIS data for payment and outcomes and when making future decisions for our industry. Do your agency stakeholders understand the value and purpose of the OASIS today and for the future? Do they know that being accurate in OASIS data collection is a way to better advocate for patients? Staff should be educated on how to approach the OASIS efficiently within a comprehensive assessment and integrate the results of the OASIS findings into planning quality care.

Under HHVBP, the comparative use of the OASIS data set item outcomes is used in determining 35% of the TPS for most agencies, and 50% for those not participating in the Home Health Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey. HHVBP OASIS impact is determined through the outcomes of your patient census in a targeted group of OASIS items. This includes two composite outcome measures. It is important to ensure competent assessment methodology and accurate data capture in these specific items as a foundation, working toward overall data set competence, achieved through a layered learning approach.

An accurate patient assessment, including the OASIS, is vital to developing risk-informed, effective plans of care, which can then help minimize hospitalization and emergency room visits. Assessment competence and risk-informed care planning fuels more effective patient-centered care discussions. Explaining to patients and families how you use the OASIS data to set and meet their goals, and to decrease their risk, enables the patient and family to be part of the care planning process. This can help improve patient satisfaction and increase patient confidence in managing their care, both of which are measured components of value-based purchasing calculations.



### OASIS training in the WellSky Learning Center

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## Ensure the accuracy of your quality reviews

Agencies should ensure they have a comprehensive quality review program, and learnings from that should be used to help improve performance. Here are a few tips to keep in mind:

1. Appropriate diagnosis codes should be assigned by a coding professional based on the assessing clinician's focus of care. It is important that the coder and clinician work in collaboration, as it is the assessing clinician who determines which diagnoses should be included in the plan of care and the OASIS. Your diagnosis coding impacts the risk adjustment applied to your OASIS items under HHVBP, so it is vital that you capture these codes accurately so that your outcomes are not negatively impacted.
2. OASIS items throughout the assessment should accurately reflect the safety needs of your patient. Your quality reviewers should have a strong understanding of the key concepts of OASIS guidance and be up to date on the most recent guidance through CMS's quarterly Q&As and the current OASIS guidance manual.
3. To succeed under HHVBP, your QAPI program should include a plan for taking the data you collect from your quality reviews and turning that data into an appropriate performance improvement plan. Are you seeing specific OASIS items needing corrections more than others? Does your coding team provide you clinician-specific OASIS performance metrics so you can drive education where it is most needed? You should be using that information to create a performance improvement plan on those items in order for your clinicians to drive assessment accuracy. This will ensure that your outcomes are reflecting both your patient population and the care you are providing and will ultimately ensure that your agency has the appropriate reimbursement adjustment under HHVBP.



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Our team of coding experts helps ensure that your ICD-10 coding and OASIS documentation is accurately contributing to appropriate reimbursement and value-based care calculations.



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## Help reduce hospitalizations with smarter care planning

Reducing avoidable hospitalization and emergent care for home health patients is a top priority under HHVBP, as hospitalization rates have a direct impact on both your patients and your TPS. The ~\$605 million in cost savings under the HHVBP demonstration project were principally driven by reductions in acute care hospitalizations.

Claims-based data is going to impact the TPS by 35% for the large agency cohort, the bulk of it being the acute care hospitalization (ACH) score. For the small agency cohort, claims-based data impacts 50% of the TPS. Hospitalization and emergent care rates are extremely important to every key stakeholder involved – the patient, the agency, and the payer – and there is pressure to continuously improve your hospitalization and emergent care rate as the industry advances its ability to keep patients at home. It is crucial to understand where your agency stands compared to the average as you are now competing on value.

Reducing ACH and emergent care is within reach when supported effectively with the right integration of people, process, and advancing technology. Being able to focus on the patients with the highest risk will help you improve your clinical results across the board. Using data to help make decisions based on when to visit, what to focus on, and how to see and manage risks will help you move the needle on performance. One of the top strategies is the effective use of predictive analytics in the office and in the field to help guide clinical decision-making. With the aid of machine learning, your team can see and address issues like a rising risk for hospitalization or suitability for hospice.



### Empower your team to make more informed care decisions with WellSky CareInsights

WellSky CareInsights for Home Health provides actionable predictive insights within the EHR workflow to help stratify patients by real-time hospitalization risk, reduce readmissions, and improve visit utilization.



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## Improve patient satisfaction

How a patient feels about their care can impact their level of engagement in their care plan, and ultimately, the outcome achieved. Patients and families place high value on healthcare that is respectful, empathetic, and connected. The value of engagement and patient satisfaction is very high when it comes to both outcomes and cost – so payers are interested. In fact, studies have shown that patients with the lowest activation scores – those who have the least skills and confidence to actively engage in their own healthcare – incur costs up to 21% higher than patients with the highest activation levels. That means that when we improve a patient’s activation level and their engagement in their care, that patient costs significantly less to the payer. As CMS is looking to reduce costs, we can understand why HHCAHPS scores have been integrated into HHVBP.

Under HHVBP, there are two ways to get points for patient satisfaction – either through your achievement or improvement points. For agencies in the large agency cohort, 30% of your agency’s TPS is going to be impacted by your HHCAHPS. This means that agencies who have submitted a minimum of 40 completed HHCAHPS surveys per year to CMS are now part of the national competition and impacted by patient satisfaction.

Take stock of the current state of your customer service and satisfaction. A few key actions can yield substantial return in engaging clients and building a stronger culture of great service:

- Identify and leverage patient centered goals:
  - Knowing what matters most to the patients you serve can help your teams motivate the patient to become more involved in their care plan. Patients are more engaged when the actions and work you are doing together contribute to what matters most to them.
- Establish scripting to help your teams listen more effectively, as well as summarize the work they have done on behalf of the patient. For example: “Is there anything more I can do for you? I have the time.”
- Provide agency-wide customer satisfaction training.



**Customer service is not about doing more – it’s about how we do what we do. A patient or family member may not remember every detail of what a provider said, but they will remember how you made them feel. Always keep that in mind.**

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## Elevate your competitive position with data

Your agency's ability to compete on quality and performance measures will determine your success under the new HHVBP model. As CMS expands HHVBP nationwide, all agencies are being held to a new standard. Far beyond the CMS star rating, the HHVBP performance score focuses much more comprehensively on patient improvement, acute care utilization, and home health discharge outcomes. Agencies will need real-time performance data and analytics to monitor the effectiveness of their QAPI programs and overall position compared to other agencies. However, to achieve performance excellence and maintain it over time, agencies will need to understand their performance in much deeper detail within diagnosis-related groups and across clinicians, as this is where variability and true areas of opportunity for improvement will be found.

Your agency should be able to answer the following questions (now and over time) as your patient population changes:

- What diagnosis groups drive the most hospitalizations? How are you educating your clinicians on an ongoing basis to better care for patients?
- Which referral sources refer the most complex populations?
- How best can you match your agency's clinical strengths with the needs of your referral source relationships?
- For which diagnosis does your agency deliver the best outcomes?
- How does your agency improve population health and the successful management of lives over time?

This is the type of quality standard that will differentiate an agency with payers and health systems.

It is crucial to have the right tools to help your agency understand how its value is differentiated in the market. Real-time performance analytics tools can help you leverage your data so you can know where to drive top value for referral sources and top quality as an agency.



### Get unparalleled visibility into opportunity and performance with WellSky Value-Based Insights

WellSky Value-Based Insights for Home Health helps track and improve clinical performance with real-time HHVBP quality metrics, clinician- and diagnosis-level assessments, and projected CMS Star Ratings.



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## Exercise leadership to build a value-driven organization that aligns people, processes, and technology

Building a high performing agency that succeeds under HHVBP requires leadership to be intentional and strategic. Leaders must align their people, processes, and technology to accelerate performance, focusing on the following core areas:

- Raising the bar in agency workforce and culture
- Simplifying organization structure and design
- Creating an engine room with intelligent care management
- Planning for and participating in future innovation and technology

As you strive to build a high-performing agency, you must remain team-centric. Know that culture is extremely important. To raise the bar on agency performance, you need teams that understand how to reach a high level of performance *every day*.

It is imperative that you simplify your organization's workflows, decreasing organizational complexity, whenever possible. Avoid making constant changes to the way a team member is expected to do their job and strip out any steps in a process that do not add value.

Create an intelligent care management program to drive care planning and delivery, combining clinical expertise and analytic insights. In HHVBP, using technology will be key to leveraging your data to help clinicians take the best possible care of their patients, improving performance and driving outcomes across your organization in a more standardized and predictable way.



### Get the guidance you need with WellSky Strategic Consulting Services

Our team of experts helps develop and implement strategies that support your unique performance, growth, and staffing goals, enabling you to deliver better care and be successful under HHVBP.



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