

## Home health: assessing payment adequacy and payment system refinement

**ISSUE:** What do market factors tell us about the adequacy of payments in home health? Should we consider refinements to the payment system?

**KEY POINTS:** Access for most beneficiaries is good. Most beneficiaries live in an area served by a home health agency and they report little or no problem in obtaining care. Most beneficiaries have a choice of two or more providers in their community. In a recent survey, most beneficiaries indicated that they had little or no problem accessing home health care.

The quality of care has risen slightly. For example, the proportion of patients who improve in getting dressed rose from 62 percent in the past year's analysis to 65 percent in this year's analysis.

The number of Medicare certified home health agencies rose for the first time in several years.

Our initial analysis of the outlier provision suggests we might consider some refinements of the home health prospective payment system.

**ACTION:** At this time, we seek Commissioners' input on our work to date.

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