

Examining the variation in home health margins

ISSUE: All providers exhibit variation in financial performance. The issue is whether this performance is due to provider efficiency or inaccuracies in Medicare's payments.

KEY POINTS: MedPAC has observed significant variation in the Medicare margins of home health agencies under PPS. This analysis examines the characteristics of the episodes, quality and services provided for high and low margin agencies.

ACTION: Commissioners should provide guidance to staff regarding the direction of this ongoing analysis.

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