Washington State Health Care Authority

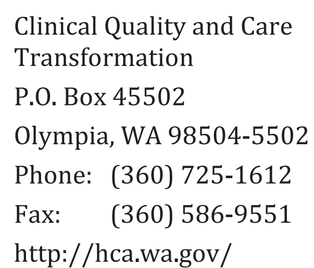
REPORT TO THE LEGISLATURE

Home Health Nursing

Second Engrossed Substitute House Bill 2376, Chapter 36, Laws of 2016, Section 213 (1)(tt)

December 15, 2016

Home Health Nursing



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Executive Summary

This report is submitted by the Washington State Health Care Authority (HCA) to the Legislature as required by Second Engrossed Substitute House Bill 2376 (2ESHB 2376), Chapter 36, Laws of 2016, Section 213 (1)(tt). It includes a plan for reporting to the legislature at a later date and, if requested, an analysis that shows how improved access to home health nursing reduces potentially preventable readmissions, increases access to care, reduces hospital length of stay, and prevents overall hospital admissions for clients receiving private-duty nursing, medically intensive care, or home health benefits.

This plan is the work product of a committee of HCA staff, Department of Social and Health Services (DSHS) staff, and a broad group of community stakeholders.

Background

About this Report

This report is submitted by the Washington State Health Care Authority (HCA) to the Legislature as required by 2ESHB 2376, Section 213 (1)(tt).

> *The authority is directed to work in collaboration with the home health association and the Washington state hospital association to develop a plan to show how improved access to home health nursing reduces potentially preventable readmissions, increases access to care, reduces hospital length of stay, and prevents overall hospital admissions for clients receiving private-duty nursing, medically intensive care, or home health benefits. The authority shall submit a report to the governor and appropriate committees of the legislature by December 15, 2016, with details of this plan.*

Medicaid offers two benefits that provide skilled nursing services when clinical needs can be met outside a hospital or skilled nursing facility setting, as described below:

> **Home Health (HH) Services** - provides skilled nursing care, home health aide assistance, and physical, occupational and speech therapy to the client in the private home setting or designated home setting, e.g. adult family home. This is a federally mandated benefit in Medicaid. Skilled nursing in this benefit is defined as the provision of acute, intermittent, short-term, and intensive courses of treatment to individuals who are not medically stable or have not yet obtained a satisfactory level of rehabilitation. Visits by a licensed nurse average about 40 minutes in duration. This benefit is covered under the Medicaid fee-for-service program and the managed care program.

Private Duty Nursing (PDN) - provides skilled nursing services by a Registered Nurse (RN) or a Licensed Practical Nurse (LPN) in a private home or designated home setting, e.g., an assisted living facility or licensed children's medical group home. This benefit is available for adults and children who require four or more hours of continuous skilled nursing care. The care provided under this benefit is more intense and of longer duration than that in the HH benefit, sometimes up to 16 hours per day. Under federal law this service is considered an optional Medicaid benefit. HCA and DSHS share responsibility for providing these services. Children 17 years of age and under receive PDN services under the Medically Intensive Children's Program (MICP). This benefit is available under the Medicaid fee-for-service program and the managed care program. HCA manages the funding for this program, but DSHS manages the day-to-day operations of the program. The benefit for anyone 18 years of age and older is referred to as the Private Duty Nursing Program for Adults. DSHS manages the funding and the day-to-day operations of this program.

During the last legislative session, HCA submitted decision packages requesting authority and funding to increase the rate for skilled nursing care provided through the home health and private duty nursing benefits. Reimbursement rates for these provider types had not increased since 2007. The Medicaid rate was not competitive with the rates offered by commercial carriers; as a result, Medicaid could not access these services for its clients. To compound the rate issue, the nation is experiencing a shortage of licensed nurses. Agencies meet the demand for services by wooing nurses away from other employers with competitive rates and benefits. Consequently, Medicaid clients remained in hospital settings to receive nursing care services even though that setting was not medically necessary; without access to skilled nursing care under these two benefits, the client could not be discharged. In these situations, the reimbursement rate to the hospital reduces from the agency's inpatient hospital fee schedule rate to the Administrative Day rate of $210.64 per day. These adults either did not meet the medical necessity criteria for skilled nursing facility care or, in some cases the skilled nursing facility was unwilling to admit the client because of the level of care needs or safety risk issues. In Washington State, there are no comparable skilled nursing facility resources for children. To promote access to skilled nursing care in the "home" setting, HCA, in the submitted decision packages, proposed a ten dollar increase in the hourly rate for PDN services and the per visit rate for HH services.

2ESHB 2376 authorizes and funds the requested increase of ten dollars in the hourly rate for PDN services and the visit rate for HH services provided to all Medicaid covered clients, adults and children. In addition, it directs HCA to convene a work group that includes representatives from the Home Care Association of Washington (HCAW) and the Washington State Hospital Association (WSHA) to develop a plan that will assess the impact of this rate increase. The Legislature anticipates the rate change to support increased access to nursing care in the "home"[1] setting in lieu

[1] "Home" in this context refers to setting outside the hospital facility or skilled nursing facility. It includes a private home, a medically intensive group home setting for children, and assisted living facilities for adults.

of other settings, and therefore, requests a plan designed to determine the impact on utilization and costs for inpatient admissions, readmissions, and the inpatient length of stay for those clients who receive these "home" care services, as well as quantifying access to these services. The ten dollar rate increase became effective July 1, 2016.

Workgroup

HCA has actively engaged its partners in the development of the proposed plan. The workgroup members include agency staff and staff from DSHS; outside stakeholders, including representatives from WSHA and HCAW; an HCAW legislative consultant; representatives from hospitals;[2] and representatives from private duty nursing agencies and home health agencies.[3] Membership to the workgroup was voluntary. *(See Appendix A for a list of workgroup members.)*

Workgroup Process

The work group met four times. A consensus approach for decision making was used to agree on the evaluation model. The group was responsible for:

- Defining the scope of the population;
- Identifying the data that would be required to conduct the analysis to be responsive to the measures requested by the Legislature;
- Developing tools to collect data not available from HCA's ProviderOne;
- Identifying who would be responsible for collecting what data; and
- Identifying challenges, barriers or other issues that could affect the plan and the quality of the subsequent analysis.

Defining the Scope

The group defined the scope of the population for the report as those Medicaid clients for whom an order for home health or private duty nursing, including intensive nursing for children, was written or for whom the service was part of the written hospital discharge plan. Data would be collected about these individuals whether they successfully were discharged to PDN or HH service or not. The group agreed dual-covered Medicaid clients (those with Medicare) would not be included in the evaluation of the impact of home health services because Medicare usually pays for home health and this would skew the analysis. However, they will be included if they receive Adult PDN services, because Medicare does not cover this service.

[2] Multi-care Health System, Seattle Children's Hospital, Providence Health and Services, Swedish Medical Center, CHI Franciscan's Highline Medical Center, and Evergreen Health.
[3] AK Healthcare Solutions, Alliance Nursing, Ashley House, Avail Home Nursing, Highline Home Health, Community Home Health and Hospice, and Maxim Healthcare Services.

In addition to the measures the Legislature requested, the work group proposes additional measures to evaluate the impact of the rate increase, the number of emergency room visits and the change in number of clients served by PDN, MICP or HH compared to the number of those served who are not covered by Medicaid.

Defining the Required Data, Developing the Tools and Identifying the "Who"

The group defined how each measure would be defined and who would be responsible for capturing that data. HCA's claims payment and encounter system will collect much of the data required. HCA will retrieve that data for the analysis; the hospitals and nursing agencies agreed to follow through and participate in any manual data collection that may be required. Hospitals already have data collection systems in place to collect data and document activities on difficult-to-discharge clients, and the home health and nursing agencies have similar data collection efforts for cases in which they are trying to hire and place nursing staff. These were valuable to the group for defining a common data set that could be captured manually, if requested, to implement this proposed plan. *(See Appendix B, Table of Data and Measures, for a description of the measure, how it would be measured and who would be responsible.)*

Identifying challenges, barriers and other issues that could affect the plan and the quality of the subsequent analysis

The workgroup identified some issues and factors to be included in the analysis, should it be requested. Some of these are difficult to measure, and almost intangible, but are significant enough that the workgroup agreed they should be acknowledged and incorporated, as they contribute to the cost benefit analysis that will be the product of this plan. Further consultation will be required to address these factors in the potential analysis.

Impact on hospitals.

- Determine the true cost to the hospital stay when the client is still in the inpatient setting, after the reimbursement rate has been reduced to $210.64 per day:
  - What is their actual financial liability for unreimbursed services to the client?
  - What is the fiscal impact of delayed discharges due to revenue loss associated with redirected admissions or rescheduled non-emergency admissions when bed capacity is taxed?

Impact on families and clients.

- Define tangible costs to families when a child experiences a prolonged hospitalization:
  - Loss of Home and Community Based Services (HCBS) waiver eligibility due to being institutionalized for over 30 days;
  - Loss of income earner's wages;
  - Loss of employer-paid health care benefits;

- Loss of client's Social Security Income; and
- Loss of Temporary Assistance for Needy Families (TANF).

- Attempt to define intangible costs for families when a child experiences a prolonged hospitalization:
  - Impact on other children at home, and;
  - Impact on graduation, addiction, and divorce rates.

The work group also identified challenges in conducting the planned analysis and the adverse impact these challenges may have on the data collected and, ultimately, the results of the analysis. The later analysis will need to note the adverse impact of these events, such as those described below.

- The nursing shortage reduces the number of applicants to fill requested hours which will result in more inpatient days.
- A long waiting period to fill the hours requested for one or two clients may heavily weight any averages on a small population.
- Prior authorization requirements may negatively affect timely placement and increase the length of stay in the hospital and the availability of staff.

The Plan

If the Legislature requests that the plan be implemented, the tools are prepared *(See Appendices B and C)* and the responsible parties are ready to begin data collection immediately. The workgroup recommends that the data collection continue for approximately nine months to one year to allow time to collect a sufficient amount of data. It will take approximately two months to compile the data, conduct the analysis and prepare the report with the findings. The analysis will compare pre-rate increase experience to post-rate experience for the purpose of reporting the change in these measures:

- Increased Access to Skilled Nursing Care:
  - Number of clients served
  - Number of hours filled
  - Number of days between referral and initiation of services
- Reduced length of stay for initial hospital admissions:
  - Average length of stay
  - Total costs
  - Total number of administrative days
- Reduced Utilization and Costs Preventable Readmissions:
  - Number of readmissions
  - Average length of stay
  - Total costs

    - Total number of administrative days
- Reduced Utilization and Costs of Emergency Room Visits:
    - Number of emergency room visits
    - Total costs of emergency room visits

While the detail of data collected for this analysis will be more complete than prior to the rate increase, a comparative benchmark can be derived from data available pre-rate increase. A final report could be delivered to the Legislature in the late Fall of 2018.

Conclusion

The workgroup presents this plan with the intent of later delivering an analysis that, if requested, will demonstrate the effect the ten dollar rate increase had on access to skilled nursing care delivered via the PDN or HH benefit, and how that access reduced the utilization and costs of potentially preventable readmissions, including length of stay; reduced utilization and cost of emergency room visits; and prevented overall hospital admissions.

Appendix A: Workgroup Members

Member Name	Organization
Andrew Busz	Washington State Hospital Association
Audrey Kelly	Swedish Medical Center
Doris Barret	Department of Social and Health Services
Brent Korte	Evergreen Health Care
Carolyn Bonner	Highline Medical Center
Claudia Sanders	Washington State Hospital Association
Deb Baumann	Multicare Health System
Kathleen Donlin	Department of Social and Health Services
Eric Bailey	Alliance Nursing
Greg Pang	Community Home Health & Hospice
Heather Navarre	Alliance Nursing
Nancy Hite	Health Care Authority
Mary Hughes	Health Care Authority
Ingrid Gourley Mungia	Multicare Health System
Jee Kuriel	Seattle Children's Hospital
Colette Jones	Health Care Authority
Kathy Mullin	Seattle Children's Hospital
Kelly Pajinag	Multicare Health System
Gail Kreiger	Health Care Authority
Kris Frank	Maxim Healthcare Services
Lauren Platt	Providence Health & Services
Leslie Emerick	Home Care Association of Washington
Llyn Kawasaki	Providence Health & Services
Matt Peterson	Seattle Childrens Hospital
Mike Pugsley	Ashley House Kids
Rachel Manchester	Providence Health & Services
Randy Dalton	Community Home Health & Hospice
Rick Troyer	Swedish Medical Center
Sheri Smith	Avail Home Health
Grant Stromsdorfer	Health Care Authority
Doris Visaya	Home Care Association of Washington
Marcella Volpintesta	Health Care Authority
Jimmie Windham	Health Care Authority

Appendix B: Table of Data and Measures

Measure	Definition	Source	Party Responsible
Number of members in the study population	Medicaid clients for whom an order for home health or private duty nursing (PDN), including intensive nursing for children, was written or for whom the service was part of the written discharge plan	Care Progression Patient List*	Hospitals
Number of clients in each service group: Adult PDN, MICP, Home Health (HH)	Count the number of unique members admitted into each type of skilled nursing service	Care Progression Patient List*, ProviderOne	Hospitals, HCA
Number of hospital admissions and associated inpatient costs	Initial hospitalizations resulting in referral/order for HH or PDN services	Care Progression Patient List*, ProviderOne	HCA
Number of hospital potentially preventable readmissions and associated inpatient costs	Non- scheduled potentially preventable Readmissions that were not required for any medical services that can only be provided in the hospital setting, e.g. , surgery	ProviderOne	HCA
Length of stay per admission	Total days for each hospitalization, including readmissions	ProviderOne	HCA
Number of Administrative days per admission and associated costs	Total hospital days paid at administrative day rate due to being identified as being not medically necessary, occurring when the patient cannot be discharged to a safe setting with access to home nursing and paid as a reduced rate	ProviderOne	HCA
Number of Emergency Room visits & associated costs	Occurring post discharge from the hospital setting	ProviderOne	HCA
Determine Medicaid transportation costs	Identify costs associated with transportation and lodging benefit for families during periods of hospitalization	Transportation expenditure	HCA

Measure	Definition	Source	Party Responsible
Hours of PDN service and associated costs	Identify number served, number of hours authorized, and costs for this service, as well as all ancillary costs to provide services in the "home" setting	Agency HH and PDN Utilization Data Forms†, ProviderOne	HCA, Home Health, PDN Agencies
Hours of MICP service and associated costs	Identify number served, number of hours authorized, and costs for this service, as well as all ancillary costs to provide services in "home" setting	Agency HH and PDN Utilization Data Forms†, ProviderOne	HCA, Home Health, PDN Agencies
Number of days of home health service and associated costs	Identify number served, number of days authorized and costs for this service, as well as all ancillary costs to provide services in "home" setting	Agency HH and PDN Utilization Data Forms†, ProviderOne	HCA, Home Health, PDN Agencies
Number of days between referral and beginning of skilled nursing services	Identify number of days between hospital referral and initiation of skilled nursing services in the "home" setting	Care Progression Patient list*, Agency HH and PDN Utilization Data Forms†	HCA, Home Health, PDN Agencies
Change in percent of Medicaid private duty nursing hours and home health visits compared to other payers	Calculate the difference in the number of Medicaid clients served post rate increase to those served prior to rate increase and comparing it to the same calculation as it applies to other carriers' clients	Agency HH and PDN Utilization Data Forms†	Home Health, PDN Agencies

**See Appendix C, Care Progression Patient List.*
†See Appendix D, Agency Home Health and Private Duty Nursing Utilization Data Forms.

List of acronyms used in this table:

HCA Health Care Authority
HH Home Health
MICP Medically Intensive Children's Program
PDN Private Duty Nursing

Appendix C: Care Progression Patient List

*Required Fields
**Sample Data for "Joey Smith"

Barriers to D/C List Apple Health (Medicaid) Only

MRN	NAME*	DOB*	Patient Age	ProviderOne ID	Admit Date*	Date Eligible for Discharge*	Number of Avoidable Days*	Actual Discharge Date*	Disposition* (Select all that apply)	LOS*	Reason for Admission/Diagnosis*	Current Treatment Plan/rationale for continued stay*	Anticipated Discharge Date	Barrier (Select all that apply) Reason (Owner)	Comments*	Payer*	Inpt Auth Until (denied days forward = red)	Charges (UR)
Internal Medical Records Number. Demographics.	*Patient Name*	*Date of Birth*		*Medicaid Client Identifier*	*Used to calculate length of stay.*		*Transition - Actual Discharge*	*Those patients who do go home.*		*Length Of Stay. How many days? Calculate Admit Date and Actual*	*Original diagnosis AND Current diagnosis*	*Length Of Stay. How many days? Calculate Admit Date and Actual Discharge Date.*	*If physician has one. "Identified; parents are trained; have a home for placement."*	*Drop down box in each individual cell contains these options: Home Nursing; Housing; Foster Placement; Equipment; Family; No Barriers*	*Status of discharge plan, updated weekly. (i.e., "still recruiting", "out of home placement", etc.)*	*Primary payer.*	*Date of end of authorization.*	*Length Of Stay. How many days? Calculate Admit Date and Actual Discharge Date.*
12345	*Joey Smith*	*01/01/15*	*1*		*04/26/16*	*6/16/2016*	*102*	9/26/2016	*D/C with initial support/plan (location and hours of care)*	*153*				*Home Nursing-Community (RNCM)*				
									D/C with decreased nursing care hours					Housing-Community(MSW)				
									D/C with change in level of care (non-skilled care)					Foster Placement-Community (MSW)				
									D/C to initial/planned location					Equipment (RNCM)				
									D/C to different location than initial plan					Family (MSW/RNCM)				
									D/C with no home nursing					SCH Systems (SCH MD)				
														Financial (MSW)				
														No Barriers				

Appendix D

DRAFT Template for Home Health Agencies

ESHB 2376 requires the Health Care Authority to work in collaboration with the Home Health Association (HHA) and the Washington State Hospital Association (WSHA) to develop a plan to show how improved access to home health nursing reduces potentially preventable readmissions, increases access to care, reduces length of stay and prevents overall hospital admissions for clients receiving private duty nursing, or home health benefits.

As one aspect of this work, the Home Health ESHB2376 Workgroup was tasked with creating a template that agencies who accept Medicaid patients will use to report utilization of services. Utilization will be reported in two time frames to show the impact that reimbursement changes have made, if any.

This template, when approved, will be part of the plan that will be reported back to the legislature. Once approved by the legislature, Washington State Home Health agencies will be asked to voluntarily report data showing their Medicaid utilization in the time periods noted.

Your Agency Name:

Your Agency Service Area:

Contact Person:

Contact Person email:

Contact Person Phone:

NOTE: The information reported will be used to understand impacts across the state and will not identify individual agencies in the final report, nor identify issues by agency.

Time Period 1: Please report for the time period July 1, 2015 to June 30, 2016

	Nursing	PT	OT	SLP	SW	HHA	Total
Total Home Health Visits provided to patients whose payer/insurer was Medicaid - Fee For Service (FFS)	25	10	3	1	0	20	59
Total Home Health Visits provided to patients whose payer/insurer was *Apple Health (Medicaid) Managed Care	1	0	1	0	0	0	2
Total Visits provided to ALL other patients at your agency.	100	120	36	9	5	50	320
Total Visits provided.	126	130	40	10	5	70	381
*Apple Health (Medicaid) Percentage	19.8%	7.7%	7.5%	10.0%	0.0%	28.6%	15.5%

Time Period 2: Please report for the time period July 1, 2016 to June 30, 2017

	Nursing	PT	OT	SLP	SW	HHA	Total
Total Home Health Visits provided to patients whose payer/insurer was Medicaid - Fee For Service (FFS)	20	6	2	1	0	10	39
Total Home Health Visits provided to patients whose payer/insurer was *Apple Health (Medicaid) Managed Care	3	0	5	0	0	0	8
Total Visits provided to ALL other patients at your agency.	200	30	95	25	16	90	456
Total Visits Provided.	223	36	102	26	16	100	503
*Apple Health (Medicaid) Percentage	9.0%	16.7%	2.0%	3.8%	0.0%	10.0%	7.8%

Change from Period 1 to Period 2

	Nursing	PT	OT	SLP	SW	HHA	Total
Change in Total Home Health Visits provided to patients whose payer/insurer was Medicaid - Fee For Services (FFS)	-5	-4	-1	+0	+0	-10	-20
Change in Total Home Health Visits provided to patients whose payer/insurer was *Apple Health (Medicaid) Managed Care	+2	+0	+4	+0	+0	+0	+6
Change in Total Visits provided to ALL other patients at your agency.	+100	-90	+59	+16	+11	+40	+136
Change in Total Visits Provided.	+97	-94	+62	+16	+11	+30	+122
Change in % Apple Health (Medicaid) percentage points from Period 1 to Period 2	-10.9%	9.0%	-5.5%	-6.2%	0.0%	-18.6%	-7.7%

Responding Agency,
If there are any special considerations to note regarding your data, please advise here:

Note: template is populated with "mock" data.

ESHB 2376 requires the Health Care Authority to work in collaboration with the Home Health Association (HHA) and the Washington State Hospital Association (WSHA) to develop a plan to show how improved access to home health nursing reduces potentially preventable readmissions, increases access to care, reduces length of stay and prevents overall hospital admissions for clients receiving private duty nursing, or home health benefits.

As one aspect of this work, the Home Health ESHB2376 Workgroup was tasked with creating a template that agencies who accept Medicaid patients will use to report utilization of services. Utilization will be reported in two time frames to show the impact (if any) that reimbursement changes have made.

This template, when approved, will be part of the plan that will be reported back to the legislature. Once approved by the legislature, Washington State Home Health agencies will be asked to voluntarily report data showing their Medicaid utilization in the time periods noted.

Your Agency Name:

Your Agency Service Area:

Contact Person:

Contact Person email:

Contact Person Phone:

NOTE: The information reported will be used to understand impacts across the state and will not identify individual agencies in the final report, nor identify issues by agency.

Include information by Medicaid as secondary coverage

***Apple Health (Medicaid) Managed Care= Amerigroup, Coordinated Care of Washington, Community Health Plan of Washington, Molina Healthcare, and UnitedHealthcare Community Plan.**

Time Period 1:
Please report for the time period July 1, 2015 to June 30, 2016

	LPN	**RN**	**Total**
Total Hours *Authorized* - FFS Medically Intensive Children's Program	80	300	380
Total Hours *Provided* - FFS Medically Intensive Children's Program	40	100	140
Total Hours *Authorized* - *Apple Health (Medicaid) Managed Care	240	480	720
Total Hours *Provided* - *Apple Health (Medicaid) Managed Care	80	240	320
Total Hours provided - other payers	400	2,000	2,400
Total Hours Provided	520	2,340	2,860
Percentage provided to Medicaid	23.1%	14.5%	16.1%

Time Period 2:
Please report for the time period July 1, 2016 to June 30, 2017

	LPN	**RN**	**Total**
Total Hours *Authorized* - FFS Medically Intensive Children's Program	100	640	740
Total Hours *Provided* - FFS Medically Intensive Children's Program	20	200	220
Total Hours *Authorized* - *Apple Health (Medicaid) Managed Care	480	560	1,040
Total Hours *Provided* - *Apple Health (Medicaid) Managed Care	120	240	360
Total Hours provided - other payers	600	5,000	5,600
Total Hours Provided	740	5,440	6,180
Percentage provided to Medicaid	18.9%	8.1%	9.4%

Change from Period 1 to Period 2

	LPN	**RN**	**Total**
Change in Total Hours *Authorized* - Medicaid	+20	+340	+360
Change in Total Hours *Provided* - Medicaid	-20	+100	+80
Change in Total Hours provided - other payers	+200	+3,000	+3,200
Change in % Medicaid *Provided* from Period 1 to Period 2	-4.2%	-6.4%	-6.7%

Responding Agency,
If there are any special considerations to note regarding your data, please advise here:

Note: template is populated with "mock" data.