The Future of Home Health Care: From Concept to Execution

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Visiting Nurse Association Health & Hospice

2nd Annual Home and Community Based Health Care: A Symposium for Health Professionals and Community Members
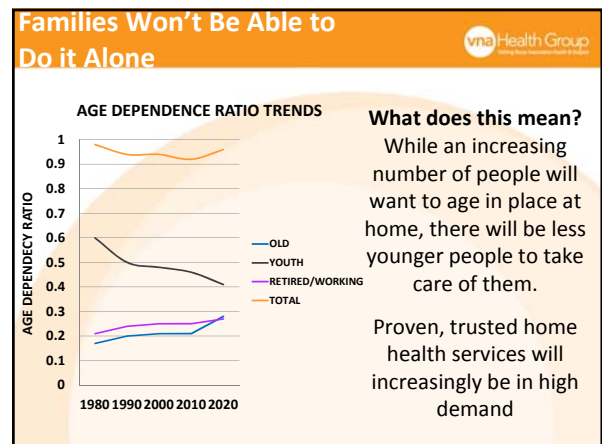8:50AM – 9:50AM
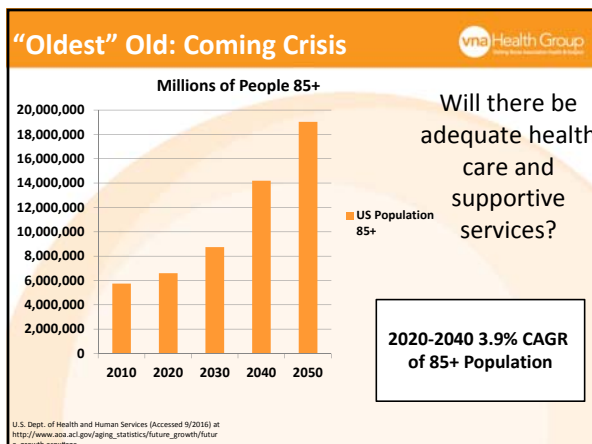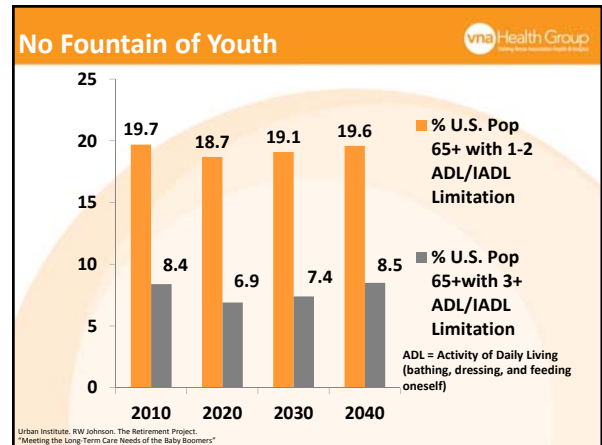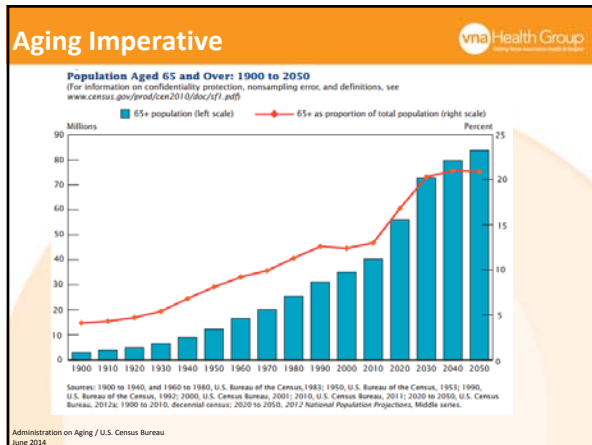

Introduction: VNA Health Group

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- Largest Home Care & Community Health Org in NJ
- 2nd Largest independent VNA in the Country
- 120,000 individuals & families receive care & support each year
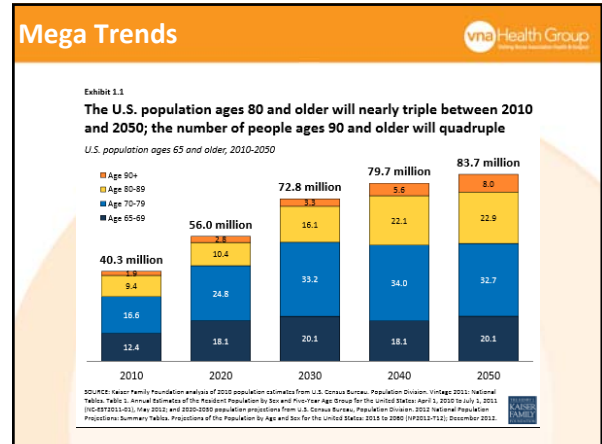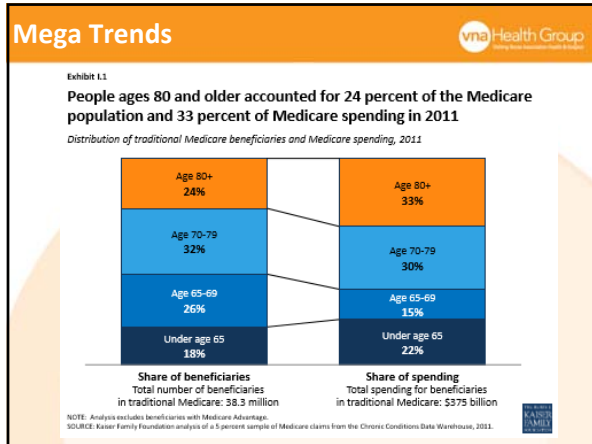- 10,000 cared for on any given day at home

Barnabas Health Home Care and Hospice

ROBERT WOOD JOHNSON VISITING NURSES
A VNA Health Group and RWJ University Hospital partnership

vna Visiting Nurse Association of Englewood

visiting physician

Aging Imperative

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Population Aged 65 and Over: 1900 to 2050
(For information on confidentiality protection, nonsampling error, and definitions, see www.census.gov/prod/cen2010/doc/sf1.pdf)

- 65+ population (left scale)
- 65+ as proportion of total population (right scale)

Sources: 1900 to 1940, and 1960 to 1980, U.S. Bureau of the Census,1983; 1950, U.S. Bureau of the Census, 1953; 1990, U.S. Bureau of the Census, 1992; 2000, U.S. Census Bureau, 2001; 2010, U.S. Census Bureau, 2011; 2020 to 2050, U.S. Census Bureau, 2012a; 1900 to 2010, decennial census; 2020 to 2050, 2012 National Population Projections, Middle series.

Administration on Aging / U.S. Census Bureau
June 2014

No Fountain of Youth

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- % U.S. Pop 65+ with 1-2 ADL/IADL Limitation
- % U.S. Pop 65+ with 3+ ADL/IADL Limitation

ADL = Activity of Daily Living (bathing, dressing, and feeding oneself)

Urban Institute. RW Johnson. The Retirement Project.
"Meeting the Long-Term Care Needs of the Baby Boomers"

"Oldest" Old: Coming Crisis

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Millions of People 85+

- US Population 85+

Will there be adequate health care and supportive services?

2020-2040 3.9% CAGR of 85+ Population

U.S. Dept. of Health and Human Services (Accessed 9/2016) at http://www.aoa.acl.gov/aging_statistics/future_growth/future_growth.aspx#age

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Families Won't Be Able to Do it Alone

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AGE DEPENDENCE RATIO TRENDS

AGE DEPENDECY RATIO

- OLD
- YOUTH
- RETIRED/WORKING
- TOTAL

1980 1990 2000 2010 2020

What does this mean?
While an increasing number of people will want to age in place at home, there will be less younger people to take care of them.

Proven, trusted home health services will increasingly be in high demand

Slide 1 — Mega Trends

Mega Trends — vna Health Group

Exhibit I.1

People ages 80 and older accounted for 24 percent of the Medicare population and 33 percent of Medicare spending in 2011

Distribution of traditional Medicare beneficiaries and Medicare spending, 2011

Share of beneficiaries	Share of spending
Age 80+ 24%	Age 80+ 33%
Age 70-79 32%	Age 70-79 30%
Age 65-69 26%	Age 65-69 15%
Under age 65 18%	Under age 65 22%

Share of beneficiaries
Total number of beneficiaries in traditional Medicare: 38.3 million

Share of spending
Total spending for beneficiaries in traditional Medicare: $375 billion

NOTE: Analysis excludes beneficiaries with Medicare Advantage.
SOURCE: Kaiser Family Foundation analysis of a 5 percent sample of Medicare claims from the Chronic Conditions Data Warehouse, 2011.

Slide 2 — Mega Trends

Mega Trends — vna Health Group

Exhibit I.1

The U.S. population ages 80 and older will nearly triple between 2010 and 2050; the number of people ages 90 and older will quadruple

U.S. population ages 65 and older, 2010-2050

Legend: Age 90+, Age 80-89, Age 70-79, Age 65-69

	2010	2020	2030	2040	2050
Total	40.3 million	56.0 million	72.8 million	79.7 million	83.7 million
Age 90+	1.9	2.8	3.3	5.6	8.0
Age 80-89	9.4	10.4	16.1	22.1	22.9
Age 70-79	16.6	24.8	33.2	34.0	32.7
Age 65-69	12.4	18.1	20.1	18.1	20.1

SOURCE: Kaiser Family Foundation analysis of 2010 population estimates from U.S. Census Bureau, Population Division, Vintage 2011: National Tables. Table 1. Annual Estimates of the Resident Population by Sex and Five-Year Age Group for the United States: April 1, 2010 to July 1, 2011 (NC-EST2011-01), May 2012; and 2020-2050 population projections from U.S. Census Bureau, Population Division. 2012 National Population Projections: Summary Tables. Projections of the Population by Age and Sex for the United States: 2015 to 2060 (NP2012-T12); December 2012.

Slide 3 — Mega Trends

Mega Trends — vna Health Group

"Elder abuse, including neglect and exploitation, is experienced by 1 out of every 10 people, ages 60 and older, who live at home. This statistic is likely an underestimate because many victims are unable or afraid to disclose or report the violence."
-- US Centers for Disease Control

Slide 4 — Healthy at Home

Healthy at Home: Never More Relevant — vna Health Group

Aging | Chronic Illness | Finances & Policy | Consumerism | Technology

Slide 5 — "Secret Weapons of Home Care"

"Secret Weapons of Home Care" — vna Health Group

- Enhanced View of Patient and Caregivers
- Breaks Down Barriers to Care
- Strengthened Relationships
- Can Avoid Hazards
- Can Cost Less
- Often Desired More

Slide 6 — More Spending on Home Health

More Spending on Home Health — vna Health Group

- 2012-2022 national home health spending projected to double from $78B to $157B
- Estimated CAGR of 6.1%
- Medicare and Medicaid represent 80% of current home health spending, with private pay and other sources accounting for remaining 20%
- National health spending and projections may underestimate industry size by missing non "health" caregiving services such as basic chore doing and driving

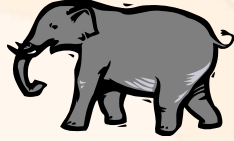U.S. The Office of the Actuary in the Centers for Medicare & Medicaid Services(Accessed 9/2016) at https://www.cms.gov/

Home Centered Care Can Help
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- Substitutive Home Health
- Transitional Care Supports
- Long Term Care At Home
- Medical House Calls
- Hospital at Home
- Palliative and
  Advanced Illness Models

Address Elephant in the Room
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- **End of Life Care / Goals of Care**
  - Hospice Transitions
  - Home Palliative Care
- **Custodial Care Issues**
  - AAA Partnerships
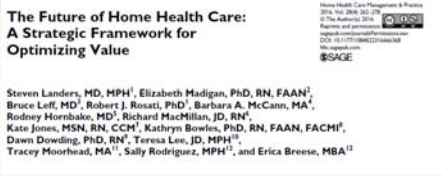 - Elder Protection
  - Counseling About Options
  - Home to Residential Transitions

Alternative Payment Models
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- MACRA Physician Payment Reform
- Advanced Medical Homes
- Managed Care, Dual Integration
- Accountable Care Organizations
- Bundled Payments
- Independence at Home
- Readmissions Reduction Program
- Value Based Purchasing
- CMS "Innovation Center"

The Future of Home Health Project
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Home Health Care Management & Practice
- Methodology included:
  - Extensive literature review on value of home health care through scholarly and trade publications
  - 16 Interviews with key stakeholders and individuals from provider organizations

The Future of Home Health Care:
A Strategic Framework for
Optimizing Value

Home Health Care Management & Practice
2016, Vol. 28(4) 262–278
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The Future of Home Health Care:
A Strategic Framework for Optimizing Care
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Home Health Care Management & Practice
- Results yielded two major themes:
  - The future of the payment and delivery system reform
  - The future of home health care

Future *of* **Home Health**
PROJECT

Home-Based Care Models Can/Do Provide Savings
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- Targeted Home-Based Primary Care
- Transitional Care Concepts
- Home Hospice & Palliative Care
- Community-Based Long-Term Care
- Substitutive "Hospital" at Home
- Home Rehabilitation
- Home Infusion Therapy
- Home Geriatric Assessment

Medicare Home Health Agency of Future
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Role Clarity-Who? What? When? Why?

Rapid initiation of episodes of in-home skilled nursing, rehabilitation

Medicare program / health system's primary option for temporarily escalating health services at home for high-risk / low-mobility individuals during vulnerable times when there's concern for avoidable hospital days, emergency room visits, nursing home days, morbidity and mortality.

Medicare Home Health Agency of Future
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"Use Cases"

1. Acute and Post-Acute Episodes

2. Longitudinal Primary Care (office and home-based)

3. Long Term Care at Home

Medicare Home Health Agency of Future
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"Characteristics"

1. Person Centered

2. High Quality

3. Seamlessly Connected

4. Technology Enabled

Medicare Home Health's Challenges
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Carrying a Bullseye

- Margins, Success
- Prone to Manipulation
- Low Barriers to Entry - Fraud
- Series of Failed (or Failing Policies to Police) Creating Frustration
- Others Want Catbird Seat of Episode Management

Needs Updating

- Risk Based or Value Based Eligibility Vs "Benefit"
- Role of Non Physicians
- Electronic interfacing capabilities
- Predictive modeling and triage technologies
- Remote monitoring/ "virtual" encounters

Aides and Family Caregivers
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- Create more opportunities for home health aides to learn and grow
- Create stable private care jobs for home health aides by shrinking the black market
- Make home health care desirable work for healthy older people

Prediction #1
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✓ State and federal health reform implementation will continue over next decade with push toward higher acuity and complexity of care in home and community

✓ Organizations that can successfully manage high need / high cost populations at lower than historical cost with good outcomes will win. However, home and community elder care services that are marginal will lose

Prediction #2
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- ✓ More "home health" will be done under the guise of managed care, accountable care, bundled payments in a way that disintermediates the episodic payment system and occasionally the home health agency
- ✓ This erosion (in episodic payments) could be mitigated or reversed with high levels of early success of home health agencies in alternative models and through advocacy efforts (that ultimately succeed because the fraud and abuse and profiteering concerns mitigated)

Prediction #3
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- ✓ State and federal health reform will continue to create an environment where strategic partnerships, mergers, and joint ventures will be necessary for elder care organizations to grow and maintain relevance

Prediction #4
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- ✓ The mismatch between private pay home care consumer expectations and the current realities of the private duty agency marketplace will continue spawn the growth of technological marketplaces and provisioning systems and alternative arrangements—in spite of these innovations in the absence of tax reform and immigration reform the black market will continue to grow
- ✓ Better technologies and efficiencies from consolidation will drive successful private pay models of future (cottage industry goes enterprise)

Prediction #5
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- ✓ Technologies: mobile applications, telehealth monitors / sensors, videoconferencing to the home, home automation technologies, and robots, will help fill gaps in current home care options, and eventually make home care more effective, affordable, and accessible

Future is Bright
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"The future belongs to those who believe in the beauty of their dreams."
Eleanor Roosevelt