

National Home Health Operations Dashboard October 2017

Key Performance Indicator	State of Alabama			Nation		
	Lower Quartile	Median	Upper Quartile	Lower Quartile	Median	Upper Quartile
Average Medicare episode payment	\$ 2,146	\$ 2,347	\$ 2,564	\$ 2,291	\$ 2,653	\$ 3,086
Average case-mix weight	0.9984	1.0897	1.1739	0.8913	1.0157	1.1444
Average therapy visits per Medicare episode	5.4	7.0	8.3	3.9	5.9	8.1
Average LUPA percentage	7%	9%	11%	3%	6%	10%
Number of agencies in database	Total agencies: 118			Total agencies: 9,402		

The above indicators are from the National Home Health Operations Dashboard Report compiled by BKD, LLP using Medicare cost report data from freestanding and hospital-based agencies with fiscal years ended primarily in 2015.

Average Medicare episode payment is the average payment per Medicare episode after considering all payment adjustments.

Average case-mix weight reflects the average weight by which Medicare home health episode payments are adjusted according to data reported on Outcome and Assessment Information Set (OASIS) assessments, which directly impacts episode payment.

Average therapy visits per Medicare episode is the average number of therapy visits, including physical and occupational therapy and speech pathology, for all Medicare episodes.

Average LUPA percentage is the average percent of Medicare episodes paid as low utilization payment adjustments (LUPAs), which apply to all episodes with four or fewer total visits.

Frequently Asked Questions

- Question: Does "Medicare" include traditional Medicare only or does it also include Medicare Advantage?
Answer: *The Medicare cost report guidelines require Medicare Advantage to be reported as non-Medicare so all references to "Medicare" in this data represents traditional Medicare only.*
- Question: How does the average therapy visits per episode indicator influence average payment?
Answer: *Because the therapy portion of the Medicare home health episode payment is influenced by the number of therapy visits billed, the average therapy visits per episode indicator can provide insights into why an average episode payment is high or low compared to industry benchmarks.*
- Question: Does the average payment per episode include LUPAs?
Answer: *Yes. The average payment per episode reflects all payment adjustments, including LUPAs, partial episode payment adjustments (PEPs), and outliers. It also reflects payment recoding for therapy upcodes and downcodes, as well as episode timing. The 2% sequestration reduction is also reflected in this average.*
- Question: Does the average case-mix weight reflect all episodes, including those paid as LUPAs?
Answer: *No. Because the average case-mix weight is computed using Medicare cost report data, this indicator does not reflect episodes paid as LUPAs, PEPs, or outliers. It does reflect episodes recoded for therapy upcodes and downcodes, as well as episode timing.*

Other questions? Contact a BKD advisor by phone at 417.865.8701 or e-mail at:

Mark Sharp msharp@bkd.com

M. Aaron Little mlittle@bkd.com