

## National Home Health Key Performance Indicators - December 2017

Key Performance Indicator	State of Iowa			Nation		
	Lower 25%	Median	Upper 25%	Lower 25%	Median	Upper 25%
Average Medicare episode cost	\$ 1,968	\$ 2,365	\$ 2,884	\$ 1,944	\$ 2,368	\$ 2,931
Average total visits per Medicare episode	14.5	18.4	22.3	13.8	16.2	19.1
Average skilled nursing costs per visit	\$ 118	\$ 149	\$ 210	\$ 106	\$ 137	\$ 180
Average nonroutine medical supplies costs per visit	\$ 0	\$ 1	\$ 2	\$ 1	\$ 2	\$ 5
Number of agencies in database	Total agencies: 134			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 cost** reflects the average costs per Medicare episode after considering all Medicare allowable costs, including direct costs such as labor and transportation, and allocated indirect overhead costs.

**Average total visits per Medicare episode** reflects the average of all Medicare visits for all six covered disciplines of service divided by all Medicare episodes.

**Average skilled nursing costs per visit** is the average cost per visit for all skilled nursing visits, regardless of payer, including direct costs, such as labor and transportation, and allocated indirect overhead costs.

**Average nonroutine medical supplies costs per visit** is the average cost of all billable nonroutine medical supplies divided by all visits, regardless of payer, including direct supplies costs and allocated indirect overhead costs.

### 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 is the average Medicare episode cost computed?

**Answer:** *This indicator is computed using the average costs per visit for each of the six disciplines of service, multiplied by the average visits per episode, and reflects labor, transportation, and overhead costs.*

**Question:** What if my agency's average visits per episode are higher than the indicators presented above?

**Answer:** *This might mean there is an opportunity to reassess visit utilization patterns in relation to outcomes and patient satisfaction, and possibly reduce costs.*

**Question:** Are salary costs included in the average skilled nursing costs per visit?

**Answer:** *Yes. All labor costs are included in the average, including all compensation costs for employed and contracted personnel and related benefits.*

**Question:** How could average nonroutine medical supplies (NRS) costs per visit be so low?

**Answer:** *While NRS costs are required to be reported on the Medicare cost report and billed on Medicare claims, such costs have historically been under-reported and under-billed by agencies, which may result in benchmarks that do not reflect actual NRS costs.*

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

Mark Sharp [msharp@bkd.com](mailto:msharp@bkd.com)

M. Aaron Little [mlittle@bkd.com](mailto:mlittle@bkd.com)