

## Avalere Research Study on the Benefits of Early Home Health Services

### Purpose

The Alliance for Home Health Quality and Innovation (the Alliance) was formed in 2008 by leading home health care providers committed to sponsoring research and educating the public and policymakers on the benefits that home health care can bring to chronic, acute and prevention-based health care initiatives. AHHQI has pledged to drive quality home health care through clinical excellence, innovative practices and strong compliance standards.

One of the early initiatives of the Alliance was to undertake a study with Avalere Health LLC to determine the effects of early use of home health care services following a hospital stay by patients with at least one chronic disease.

The Avalere study began in October 2008 to analyze 2005 and 2006 data from the Centers for Medicare & Medicaid Services (CMS), the most current data available from the agency at the time. The study focused on the impact that home health care had on overall Medicare costs and rates of re-hospitalization. The population studied included Medicare beneficiaries with a primary or secondary diagnosis of diabetes, chronic obstructive pulmonary disease (COPD), or congestive heart failure (CHF) – chronic medical conditions that represent large costs to the Medicare system.

### Summary Findings

Results of the study were released by Avalere in May 2009, with the following key findings:

- Early home health care use saved Medicare \$1.71 billion in 2005-2006
- An additional \$1.77 billion in the same period would have been saved if all Medicare beneficiaries with similar chronic diseases had accessed home health care services
- Approximately \$216 million (about 12.7 percent) of the savings is attributable to as many as 24,000 fewer hospital readmissions
- Projecting the spending reductions over the next 10 years, Medicare potentially could save \$31.1 billion by allowing similar chronic disease patients to access home health care, the study's findings suggest

Significantly, 86% of people who qualify for Medicare have at least one chronic condition and 40% have three or more. But only 8.9% of Medicare beneficiaries currently use home health services, a fact attributed in large part to the program's requirement that an individual be "homebound" and unable to leave the home without significant assistance in order to receive the benefit. The Alliance believes that expanding the availability of home health care services for people with chronic conditions within Medicare would yield even greater savings to our health care system.

### Sharing the Finding of the Study

The Alliance shared the findings of the study in joint briefing sessions with U.S. Senate and House staff in the summer of 2009. Other briefings were held in the fall of 2009 with senior officials and staff at the Medicare Payment Advisory Commission (MedPAC) and with senior officials at the CMS Office of Clinical Standards and Quality. A briefing was held in March 2010 for senior officials and staff of the CMS Office of Research Development and Information, now part of the Center for Strategic Planning (or Innovation as provided for in the Affordable Care Act of 2010 (PCPCCA).

The full results of the Avalere Health study may be found at [www.ahhqi.org](http://www.ahhqi.org)