Bamboo Health

Closing the LUPA

**HOW REAL-TIME TECHNOLOGY HELPS HOME
HEALTH AGENCIES BOOST REIMBURSEMENTS**

HHCN

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Managing LUPAs

A TOP PRIORITY FOR HOME HEALTH AGENCIES

With the launch of the Patient-Driven Groupings Model (PDGM) in 2020, home health agencies were anticipating big changes to low-utilization payment adjustments (LUPAs), the low-visit threshold within a care episode that triggers a decreased reimbursement for home healthcare services.

However, the national COVID-19 public health emergency sent LUPA rates skyrocketing, largely driven by concerned patients refusing visits. An increase in LUPA rates fuels a decrease in reimbursement and revenues, making LUPA management and avoidance priority No. 1 for many agencies.

This white paper will discuss how, with the right technology tools and resources, home healthcare providers can reduce the number of LUPAs their agencies receive, and in turn lessen financial strain even during these unprecedented, challenging times.
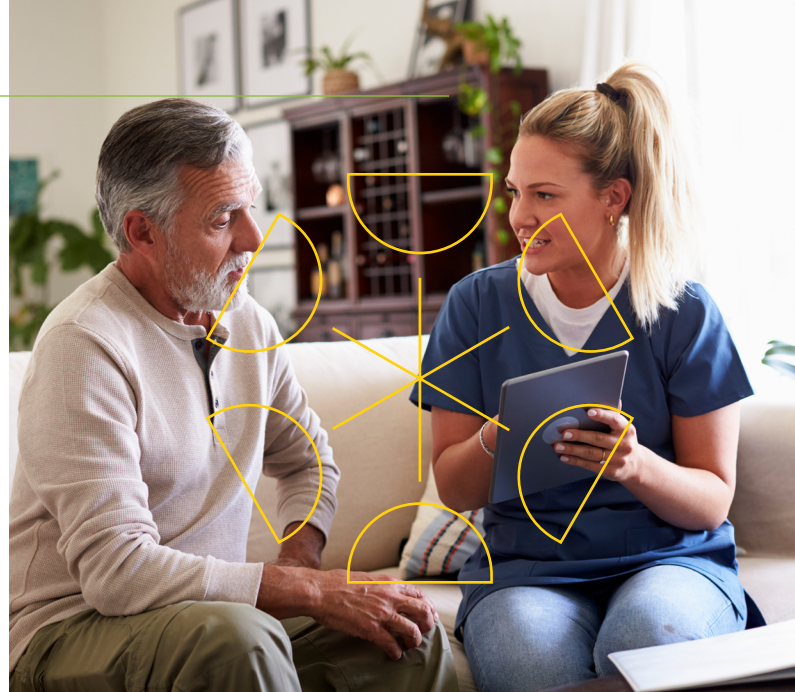
PDGM + COVID-19

THE PERFECT (LUPA) STORM

When a home health agency does not deliver the necessary number of visits within a home health episode, Medicare adjusts its reimbursement to a lower payment, reimbursing on a per-visit basis rather than for the full episode of care.

The financial impact of those low-utilization payment adjustments is substantial: LUPA rates reduce average reimbursements by approximately 75% — or $1,500 — over PDGM's 30-day unit of payment.

That 30-day unit of payment and PDGM's more intricate structure is the reason home health agencies already anticipated a rise in LUPAs in 2020. The payment model is simply much more complicated than its predecessor, the Prospective Payment System (PPS), which measured care episodes in 60-day periods and only triggered LUPAs if home health agencies delivered four or fewer visits during that period of time.

That static number of required visits is gone under PDGM, which has 432 different payment groups, each with a different LUPA threshold. Payments for 30-day periods with a low number of visits are not case-mix adjusted, but instead paid on a per-visit basis using national per-visit rates. For each of the 432 payment groups, the 10th percentile value of visits is used to create a payment group-specific LUPA threshold, with a minimum threshold of at least two per payment group.

A 30-day period with a total number of visits below the LUPA threshold is paid per visit rather than being paid the case-mix adjusted 30-day payment rate. A 30-day period with a total number of visits at or above the LUPA threshold is paid the case mix adjusted 30-day payment rate rather than being paid per visit.

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Why COVID-19 Sent LUPAs Soaring

"**Home health providers can help reduce patient fear by having adequate access to PPE and educating patients**"

Vanessa Kuhn, PhD
Director of Health Policy
Bamboo Health (formerly PatientPing)

Though the entire U.S. healthcare system has been strongly affected by COVID-19, the post-acute care sector and senior care providers have been hit particularly hard, with home health agencies having to navigate a variety of obstacles.

In a survey of more than 500 home health agencies published in April 2020 by National Association for Home Care & Hospice (NAHC), 67% of surveyed agencies reported a decrease in admissions, while 97% reported patients refusing home health services, leading to an increase in LUPAs.

On top of decreasing admissions and patients refusing at-home care, home health agencies have also had to deal with inflated personal protective equipment (PPE) costs, often paying fivefold prices or more for masks, gowns, goggles and other critical supplies.

As a result of those COVID-19 disruptions, 85% of the home health agencies NAHC surveyed reported revenue reductions, with a median revenue reduction between 15% and 20%.

"A lot of agencies are experiencing patients who don't want to engage with them for fear of COVID-19, meaning agencies aren't able to open as many cases for reimbursement," says Vanessa Kuhn, PhD, Director of Health Policy at Bamboo Health (formerly PatientPing), a healthcare technology company that helps post-acute care providers, hospitals, accountable care organizations, health plans and other healthcare organizations across the continuum collaborate on their shared patients.

Home health agencies have experienced coronavirus-related setbacks from seemingly every direction, including poor PPE allocation. But patient refusal of physician-ordered home health visits has been one of the biggest problems for many organizations.

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VIRUS DRIVES FEWER AT-HOME VISITS

These refusals have triggered payment reductions through LUPAs for the vast majority of the nation's nearly 12,000 agencies. Per the NAHC survey, about 67% of home health agencies with below-average LUPA rates in March 2019 reported a doubling of LUPAs in 2020— with 52% reporting a tripling of LUPAs.

"I think the influx of LUPAs stems from a lot of patients being fearful of home health providers coming into their home, possibly exposing them to COVID-19," Kuhn says. "Home health providers can help reduce some of that fear by having adequate access to PPE and educating patients."

"The effects of PDGM have been greatly exacerbated by the COVID-19 pandemic," Encompass Health CFO Doug Coltharp said during his company's first quarter earnings call on April 29. "Our Q1 revenue per episode … was -5.9%. The largest impact within PDGM has been a substantial increase in LUPA episodes. For Q1, our business per episode declined to 16.3% versus 17.7% in the prior year period."

Coltharp attributed the downswing to the heightened anxiety regarding COVID-19 exposure of patients and their families, which resulted in declined visits.

Why COVID-19 drives fewer at-home visists

Among home health agencies with a below-average LUPA rates in March 2019:

- 67% saw rates double in 2020
- 52% saw rates triple

(source: NAHC)

Reducing LUPAs with Bamboo Health

3 KEY TECH-ENABLED BENEFITS

While LUPAs have been a major pain point, technology can help home health agencies plan ahead, track patients in real time and better manage their overall caseload. As part of its suite of services, Bamboo Health's Pings solution offers real-time notifications when patients receive care, as well as an array of tools and dashboards that help providers monitor patients throughout their entire care journeys.

Here are three ways Bamboo Health's Pings solution helps organizations manage LUPAs, leading to bottom-line stability during COVID-19:

1. Educate patient and care team on home care benefits

Bamboo Health's technology connects the many stakeholders responsible for a patient's health, providing seamless communication between physicians, post-acute care facilities and home health agencies.

With that connectivity, home health providers can engage a patient's care team to discuss the importance of in-home care, possibly preventing a canceled visit.
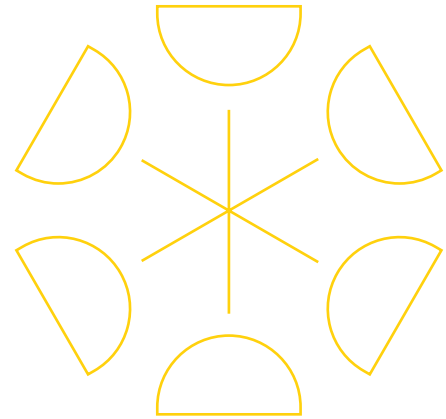
"One of the benefits of Pings is that providers and home health agencies get clear visibility into the patient's extended and core care team at a glance through their patient profile," Kuhn says.

A home health agency might struggle, for instance, to make contact with a referred patient, or might have a patient who denies the agency home access because of health concerns.

"The agency can use Pings to get in contact with other providers the patient already trusts," Kuhn says. "The patient's physician can explain that follow-up, in-home care is going to help you avoid a subsequent event that may cause another inpatient stay, which can significantly increase your COVID-19 exposure risk."

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3 KEY TECH-ENABLED BENEFITS

2. Notifications in real time on patient care events

In addition to boosting cross-continuum communication, the Pings solution's real-time notifications can also help home health agencies monitor patients who have refused services or who have presented in an ED.

Those real-time notifications then enable home health agencies to engage with the hospital care team to evaluate options for redirecting care back home, potentially helping the agency avoid a LUPA.

"The strategy then becomes reaching out to the hospital and working with them to avoid an inpatient stay," Kuhn says. "You can say, 'We have this patient on our census, and we've been trying to provide them care in the home, but they're concerned with COVID-19 exposure. Let's discuss shifting their care back home and helping them embrace home healthcare.'"

3. Retention of census offsets LUPA financial impact

Real-time notifications provide agencies with advantages that extend beyond their current patients. Bamboo Health also helps agencies bring back recently discharged patients who need additional services after a subsequent care event. If a former home health patient is admitted to an acute setting, agencies will receive an alert, allowing them to re-engage with that patient and provide additional services as clinically appropriate.

"The value of the Pings solution is helping to offset COVID-19's financial impact through census retention of patients who are on service or have recently been discharged," Kuhn says. "Bamboo Health will continue to track patients for 90 days post-home health discharge. If those patients end up back in an acute setting, agencies will get a notification, and they can coordinate continuation of care for that patient."

Bamboo Health alerts also help ensure continuity of care, helping patients stay with the home health agencies that are familiar with their conditions and functional limitations.

The Pings COVID-19 Patient Flag feature points to the future

To help support healthcare providers during the coronavirus pandemic, Bamboo Health launched a new COVID-19 Patient Flag, which home health agencies use to identify potential COVID-19 patients in real time. They can then set text or email alerts on potential COVID-19 care events.

This improves the ability for care teams to collaborate with one another on how to best prepare for, treat and allocate resources toward COVID-19 patients.

Providers can even use the flag to organize their staff into COVID-19 teams and non-COVID-19 teams, isolating staff with heightened exposure risk. By doing so, providers can reassure patients they are controlling as many variables as possible.

That reassurance may prevent a declined visit — yet another way that home health agencies can manage LUPAs.

Pings in action

How do home health agencies leverage Pings to redirect care into the home?

One Midwestern multi-state home agency learned that exactly.

When the agency received one of Bamboo Health's real-time "Pings" alerting them of a former patient who had been admitted to a skilled nursing facility (SNF), it called the patient's family to obtain additional information on the patient.

The patient, the agency learned, had been hospitalized and placed in a SNF due to a fall resulting in significant pain. The agency informed the patient's family that it specialized in home nursing and therapy services — and that it was experienced in fall prevention. The patient then notified the SNF that they preferred in-home care.

As a result of Bamboo Health's notification, the agency was ultimately able to start home health services within 24 hours of the patient's discharge from the facility.

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