

# **Analysis of Medicare Home Health Beneficiaries**

**Prepared For  
LHC Group**

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**THE MORAN COMPANY**

# Demographics of Home Health Beneficiaries

- Demographics of home health beneficiaries has had relatively little change over the past five years (2010-2014).
- The table below show demographics for the most recent year of available data (2014).

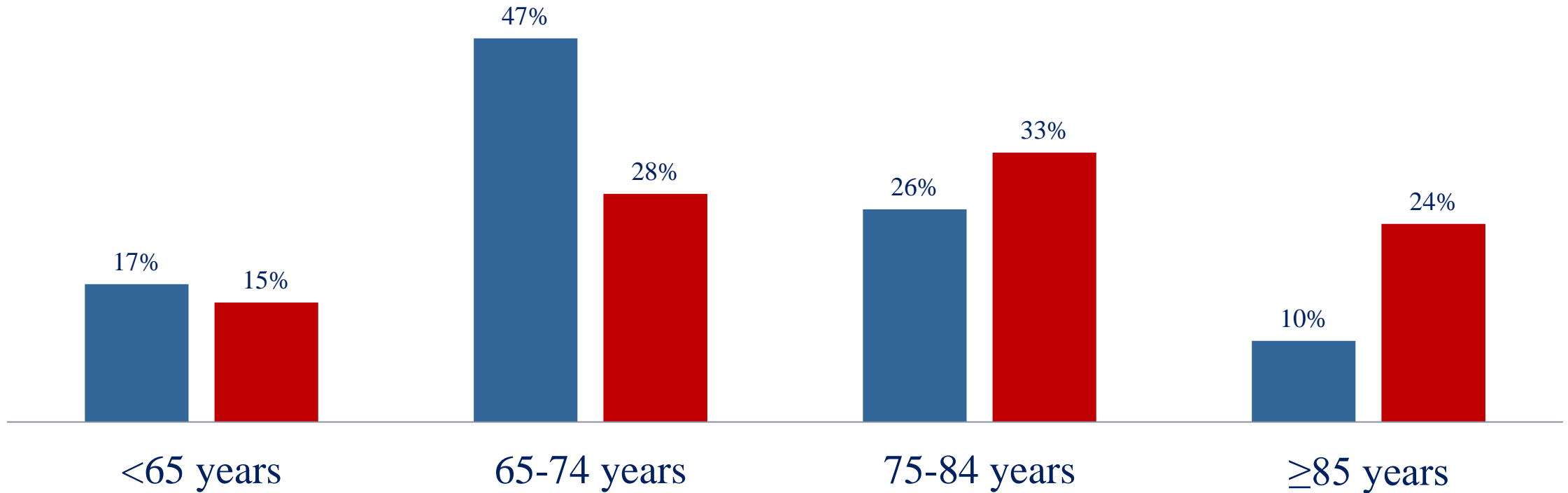
| Category                | Sub-Category | Percent |
|-------------------------|--------------|---------|
| Gender                  | Female       | 63%     |
| Age                     | 65-74 years  | 27%     |
|                         | 75-84 years  | 33%     |
|                         | ≥85 years    | 26%     |
| Race                    | White        | 81%     |
|                         | Black        | 13%     |
|                         | Hispanic     | 3%      |
| Medicare Status         | Aged         | 87%     |
| Dual-Eligibility Status |              | 27%     |

# Home Health Beneficiaries are Older than All Other Medicare Beneficiaries

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## Percentage of Beneficiaries by Age Group

■ All Medicare beneficiaries, except Home Health Beneficiaries    ■ Home Health Beneficiaries



Data Source: 2013 MCBS Access to Care File

# Utilization of Home Health Services in 2014

- Of the 3.5 million Medicare beneficiaries utilizing post-acute care (PAC) services in CY 2014, 2.8 million (about 80%) received home health services.
- Annual Medicare spending per beneficiary is the lowest for home health services (\$5,370) as compared to all other PAC services.

| Category                              | Home Health | Skilled Nursing Facility | Inpatient Rehab Facility | Long-Term Care Hospital | All Post-Acute Care Services |
|---------------------------------------|-------------|--------------------------|--------------------------|-------------------------|------------------------------|
| Total Payments (\$M)                  | \$14,980.6  | \$22,129.2               | \$5,884.0                | \$3,060.7               | \$46,054.6                   |
| Payments as a Proportion of Total PAC | 33%         | 48%                      | 12.8%                    | 6.6%                    | 100%                         |
| Total Payments Per Beneficiary        | \$5,370     | \$16,286                 | \$20,289                 | \$42,771                | \$13,259                     |

# Home Health Episodes in Urban and Rural Counties

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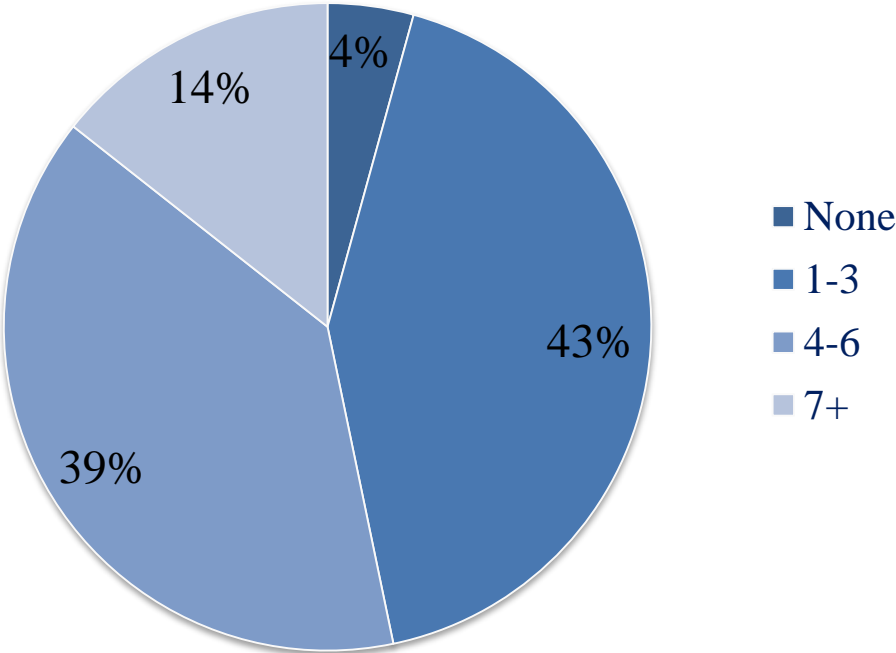
- Fewer beneficiaries receive home health services in rural counties compared to urban counties.
- The number of episodes per FFS beneficiary is lower in rural counties than urban counties.

|       | <b>Total FFS Beneficiary Count</b> | <b>Total HH Beneficiary Count</b> | <b>Percent of Beneficiaries using HH</b> | <b>Episodes per 100 FFS Beneficiary</b> |
|-------|------------------------------------|-----------------------------------|--|---|
| Urban | 29,807,356                         | 2,644,714                         | 8.87%                                    | 16.81                                   |
| Rural | 8,386,349                          | 630,942                           | 7.52%                                    | 15.52                                   |

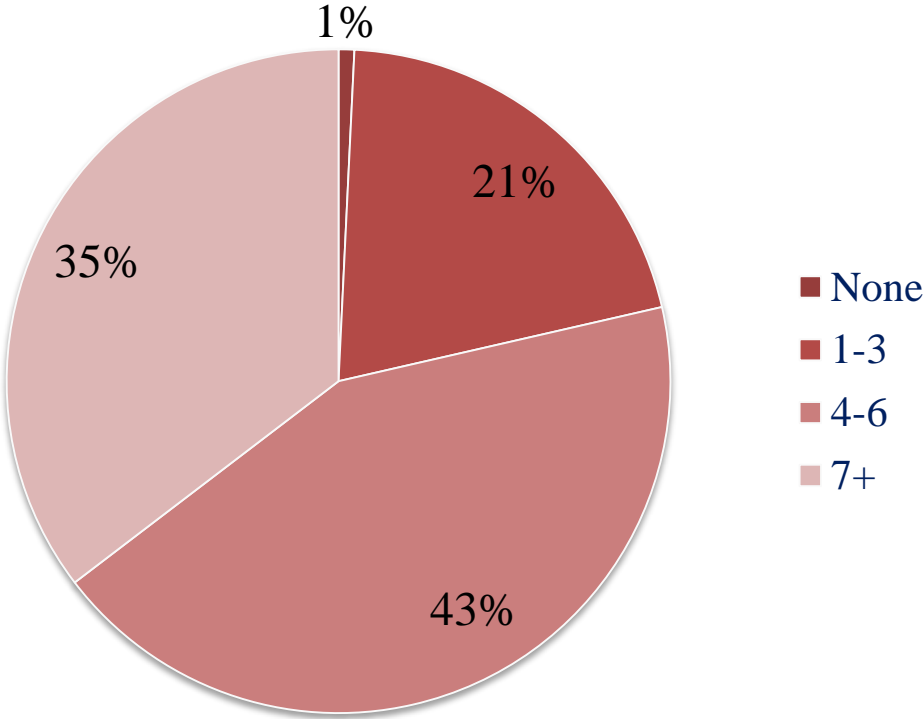
Data Source: 2014 100% Home Health and Denominator Standard Analytic Files

# Home Health Beneficiaries Have a Greater Number of Chronic Conditions than All Other Medicare Beneficiaries

14% of Medicare Beneficiaries Excluding Home Health Beneficiaries have  $\geq 7$  Chronic Conditions



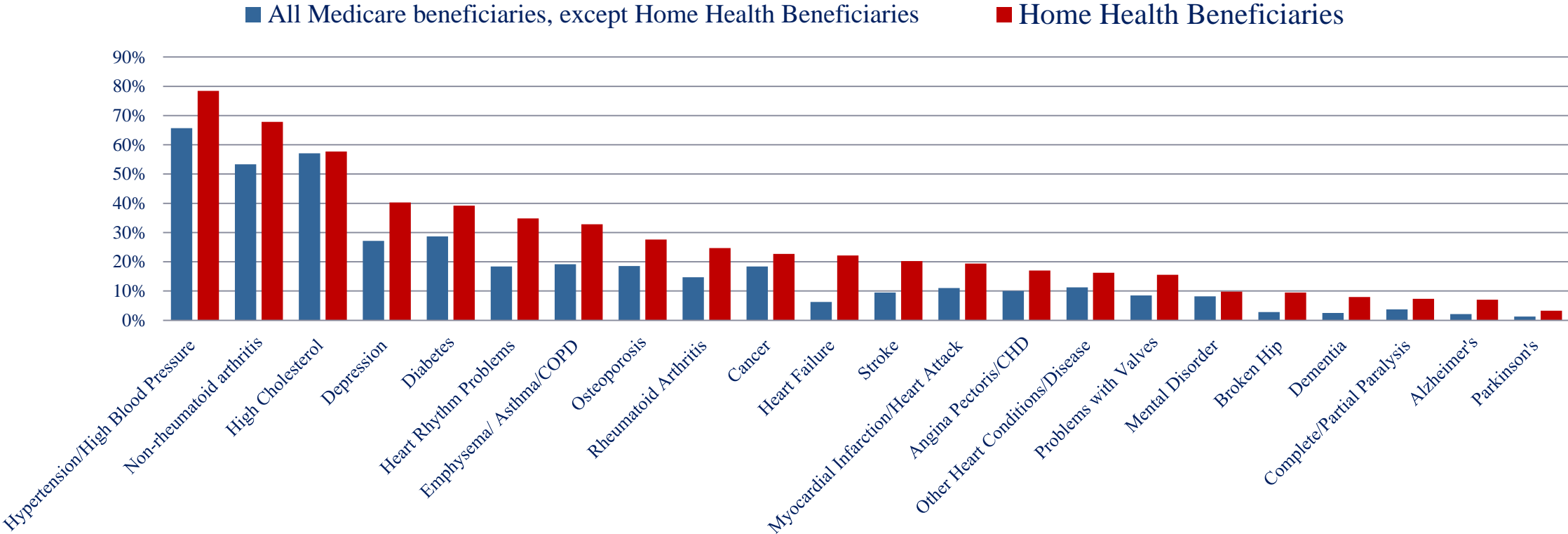
35% of Home Health Beneficiaries have  $\geq 7$  Chronic Conditions



Data Source: 2013 MCBS Access to Care File

# The Prevalence of Chronic Conditions is Higher for Home Health Beneficiaries Compared to All Other Medicare Beneficiaries

Percentage of Beneficiaries with Chronic Conditions

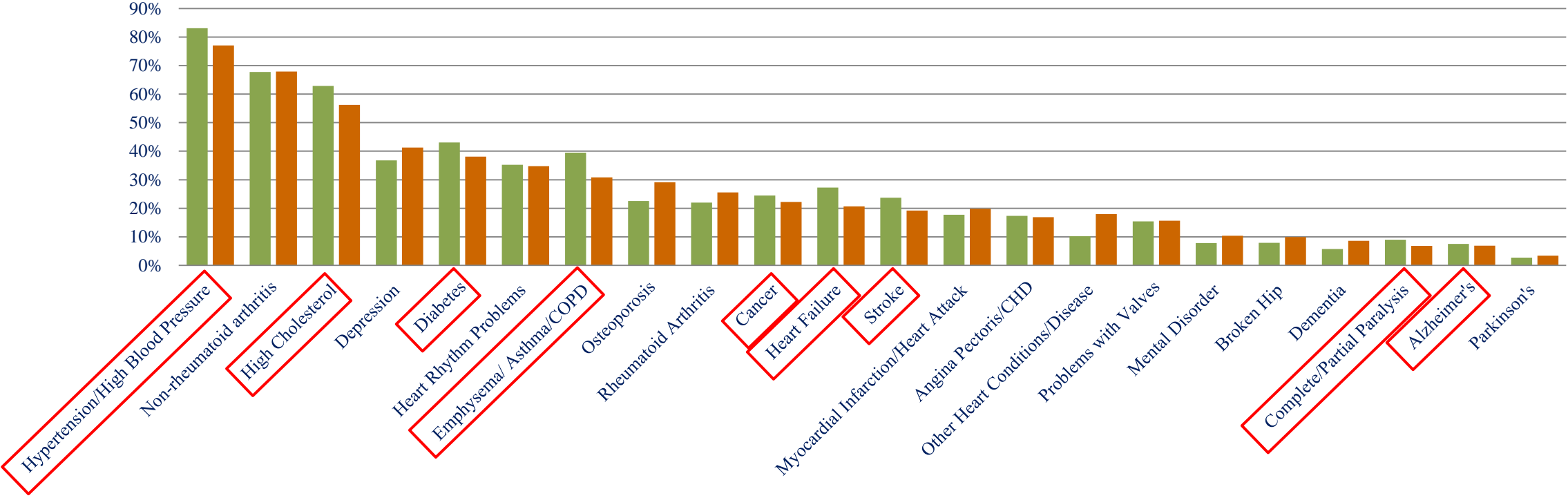


Data Source: 2013 MCBS Access to Care File

# Marginal Differences are Observed for the Prevalence of Chronic Conditions between Rural and Urban Beneficiaries

Percentage of Home Health Beneficiaries with Chronic Conditions

■ Rural HH Beneficiaries    ■ Urban HH Beneficiaries



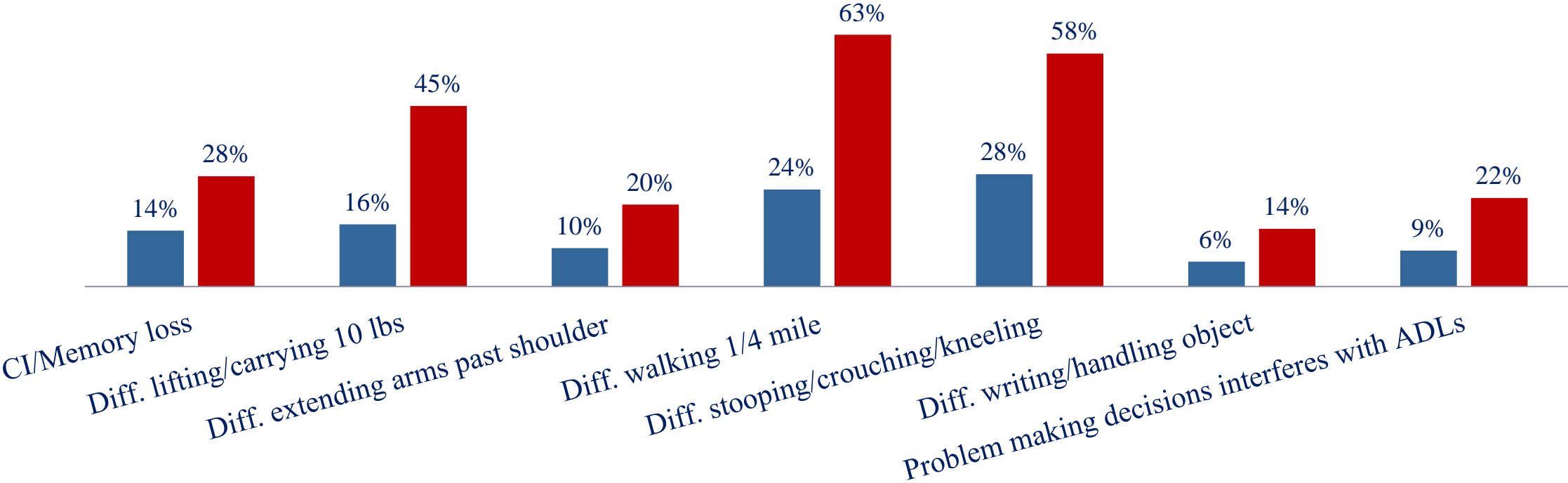
Data Source: 2013 MCBS Access to Care File



# Greater Proportion of Home-Health Beneficiaries Have Disabilities Compared to All Other Medicare Beneficiaries

### Percentage of Beneficiaries with Disabilities

■ All Medicare beneficiaries, except Home Health Beneficiaries    ■ Home Health Beneficiaries

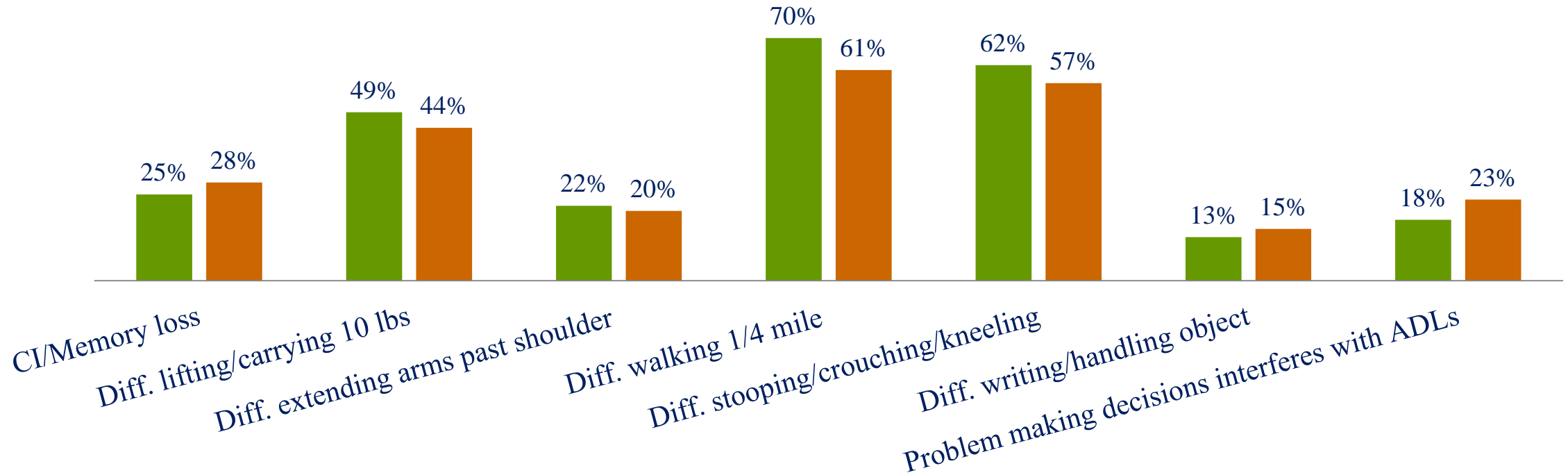


Data Source: 2013 MCBS Access to Care File

# The Top Four of Seven Disabilities are More Prevalent in Rural Home Health Beneficiaries

### Percentage of Beneficiaries with Disabilities

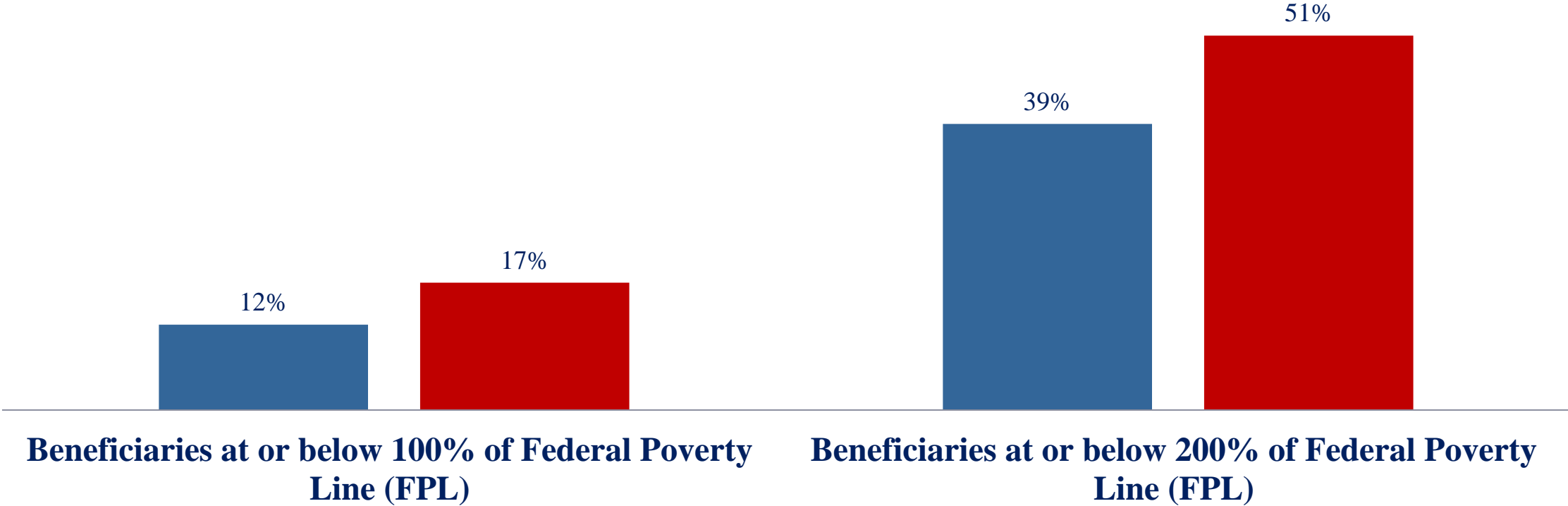
■ Rural HH Beneficiaries   ■ Urban HH Beneficiaries



Data Source: 2013 MCBS Access to Care File

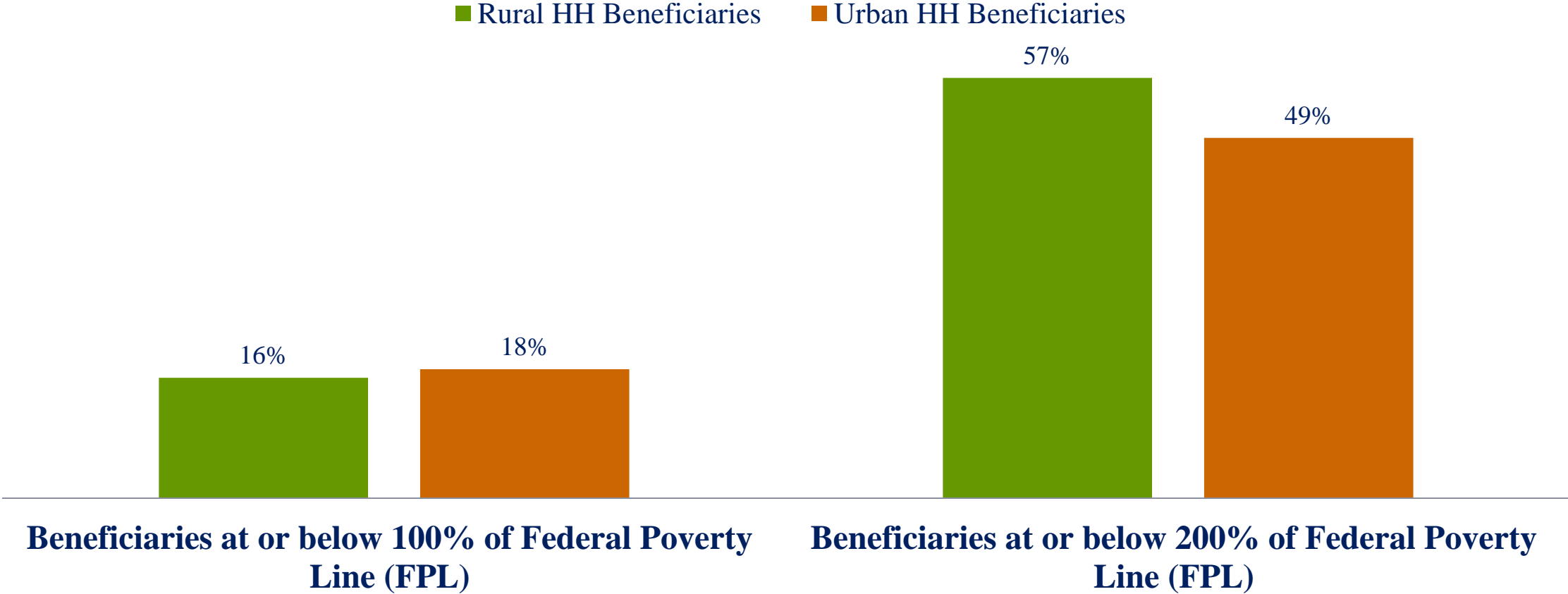
# Home Health Beneficiaries are More Likely to be Below the Federal Poverty Level (FPL) as Compared to All Other Medicare Beneficiaries

■ All Medicare beneficiaries, except HH Beneficiaries      ■ Home Health Beneficiaries



Data Source: 2013 MCBS Access to Care File

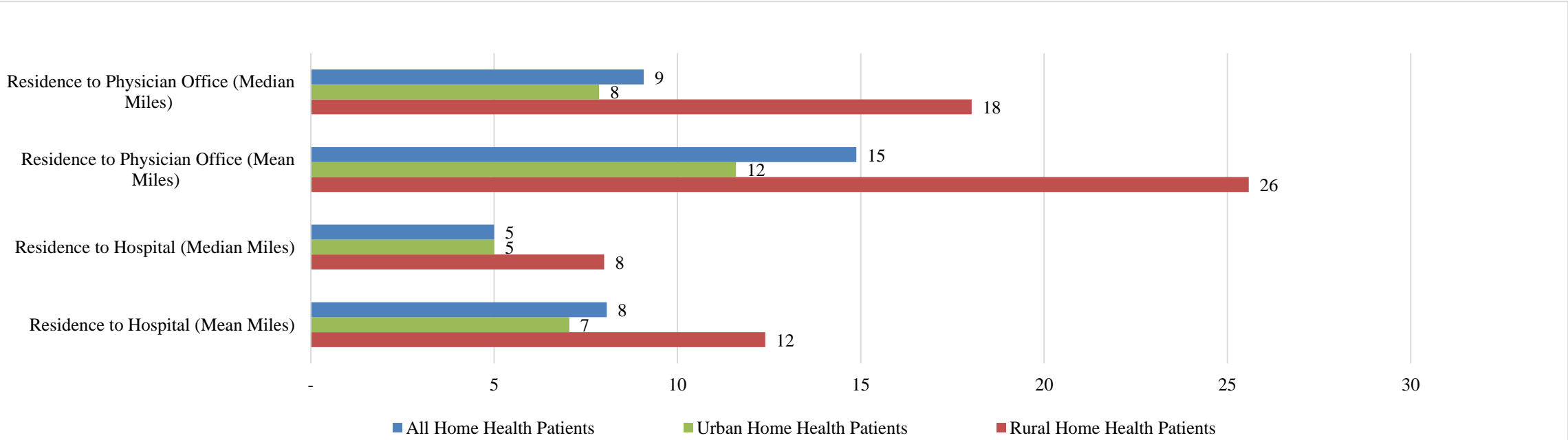
# Rural Home Health Beneficiaries are More Likely to be Below 200% of the FPL as Compared to Urban Beneficiaries



Data Source: 2013 MCBS Access to Care File

# Distance from Home Health Patient Residence to Hospital and Physician Office (Based on Ambulance Claims)

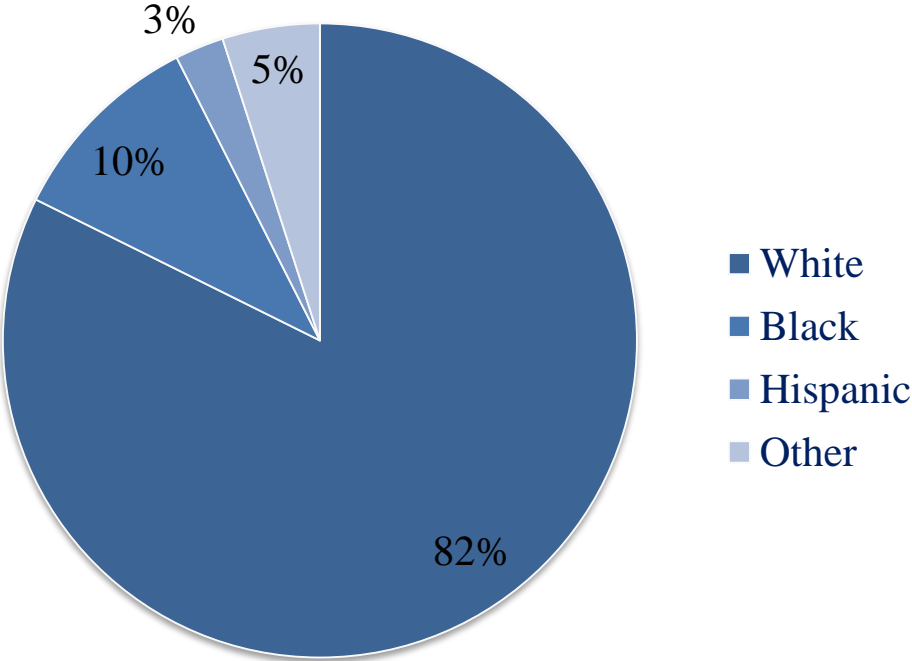
- Rural home health beneficiaries travel farther to hospitals and physician offices compared to all home health beneficiaries and urban home health beneficiaries.



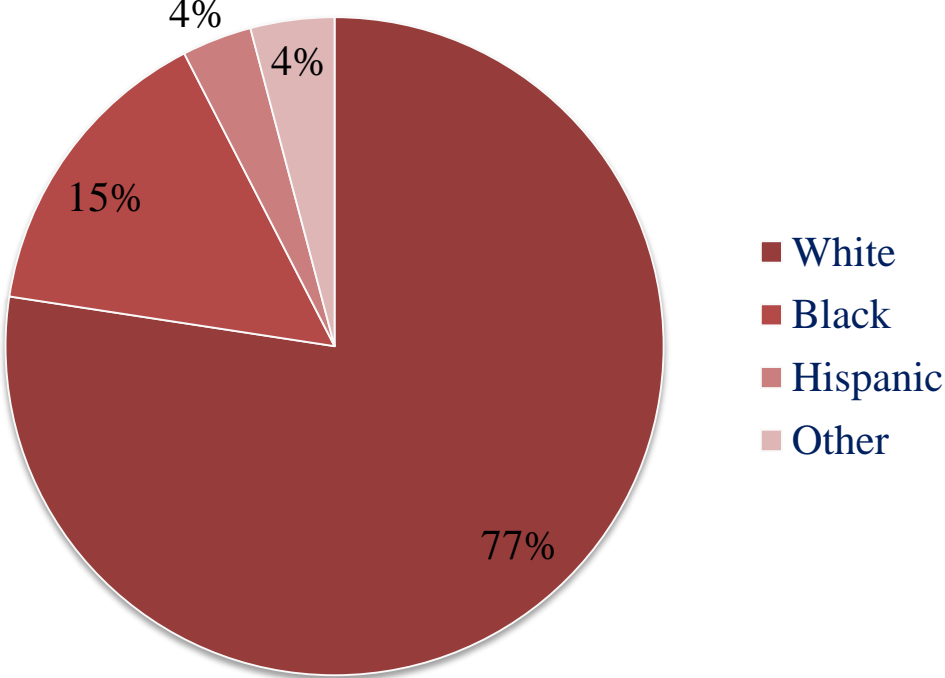
Data Source: 2014 5% Standard Analytic Files, CMS's FY 2014 SSA to FIPS CBSA and MSA County Crosswalk 2014

# Home Health Beneficiaries Have a Higher Proportion of Racial Minorities

18% of All Medicare Beneficiaries, except Home Health Beneficiaries belong to a Minority Group



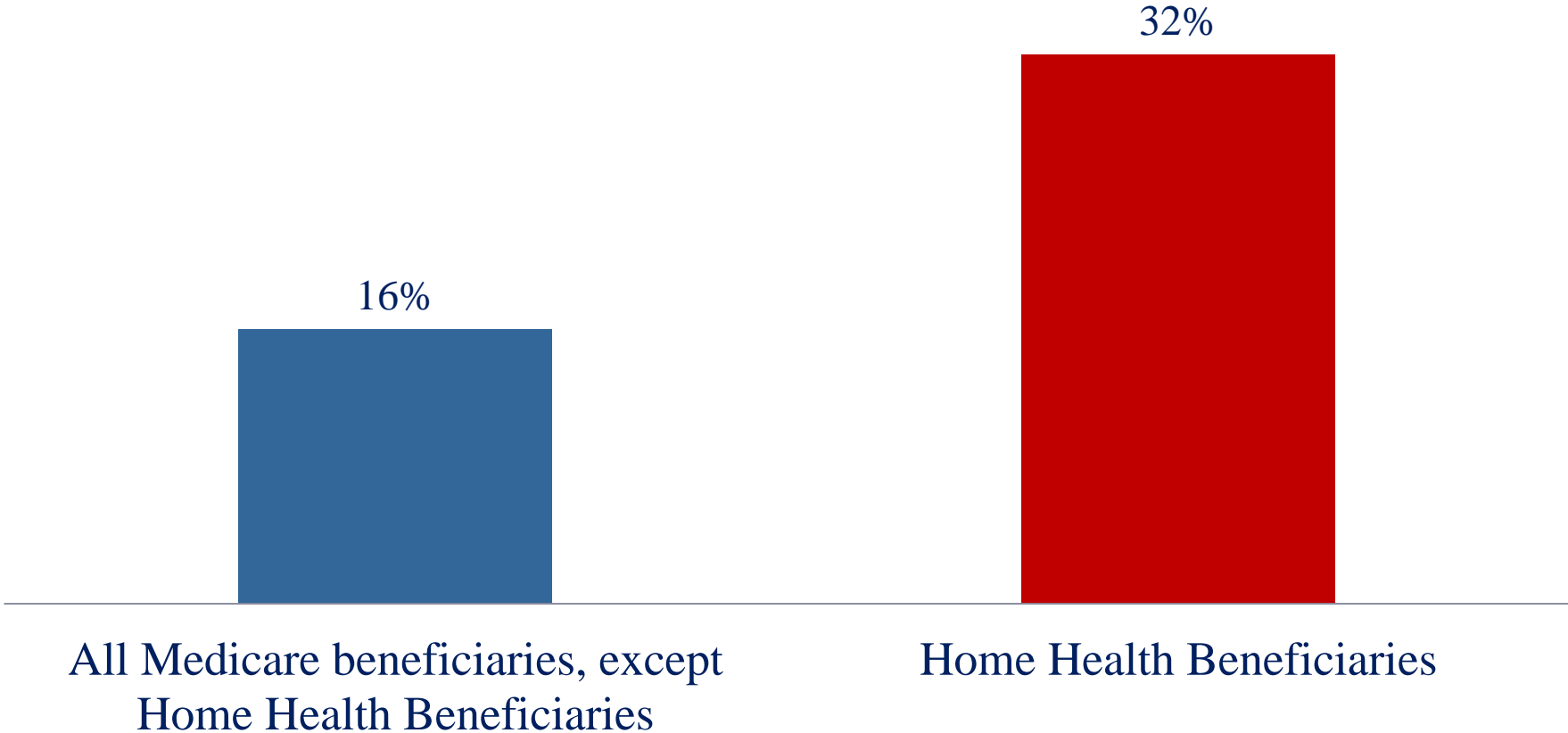
23% of Home Health Beneficiaries belong to a Minority Group



Data Source: 2013 MCBS Access to Care File

# The Percentage of Dual-Eligible Home Health Beneficiaries is Double the Percentage of Dual-Eligibles for All Other Medicare Beneficiaries

### Percentage of Dual-Eligible Beneficiaries



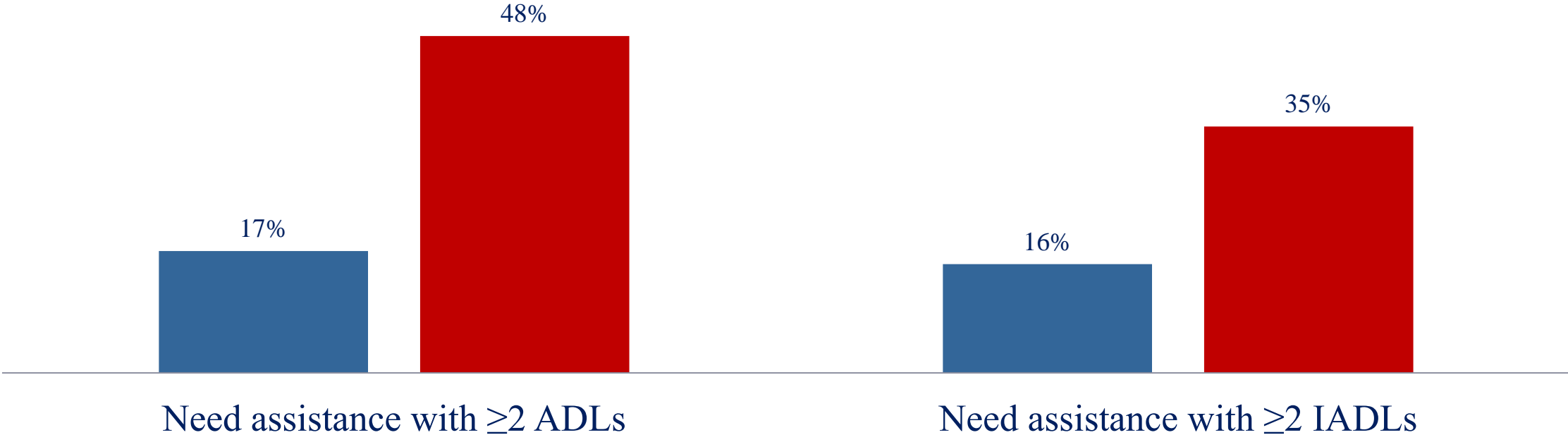
Data Source: 2013 MCBS Access to Care File

\*Duals includes Full and Partial duals and Qualified Medicare Beneficiaries without other Medicaid.

# Home Health Beneficiaries Need Higher Assistance for ADLs and IADLs Compared to All Other Medicare Beneficiaries

## Percentage of Beneficiaries Requiring ADL/IADL Assistance

■ All Medicare beneficiaries, except Home Health Beneficiaries    ■ Home Health Beneficiaries



Data Source: 2013 MCBS Access to Care File