

## Without Data, Home Health Agencies 'Flying Blind' into PDGM



**John Griscavage**

For home health agencies wondering how they'll fare under the upcoming Patient-Driven Groupings Model (PDGM), data is likely the closest thing they'll find to a crystal ball.

Data can help agencies determine where they stand under the revolutionary new reimbursement model and

— in many cases — even guide them to operate more efficiently come PDGM's 2020 implementation.

As such, those who aren't using data to inform their business operations are effectively flying blind, according to John Griscavage, CEO of PlayMaker Health, a post-acute data and growth solutions provider.

"I think you're at an extreme disadvantage," Griscavage told Home Health Care News. "I don't care if it's in health care or any other industry — data is your lens. It's your insight."

On the most basic level, data can help paint a portrait of an agency's patient population, including its clinical and referral makeup. Both factors will become increasingly important under PDGM, in which reimbursements will be driven largely by patient characteristics rather than visit volume.

In other words: Certain factors — such as admission source and diagnoses — will mean more money for agencies. For example, wound care will be associated with higher reimbursement, as it requires more home health resources than many other ailments. Therapy, on the other hand, will no longer mean a hefty payday for providers.

"Data broadly is important to understanding where you stand and where you might fare under PDGM," Griscavage said. "Then, [it can tell you] what you can do proactively to anticipate those changes and make modifications to your referral stream, relationships,

market education and even clinical pathways."

Rather than collect and analyze data themselves, home health agencies can choose from a number of data and analytics companies to help. In fact, many are rolling out solutions and technologies specially geared to helping providers navigate PDGM.

### A case study

Take Nashville, Tennessee-based predictive analytics firm Medalogix, for example. It recently rolled out a new platform called Care, which provides solutions to guide utilization and care plan development under PDGM.

The predictive model uses data in the OASIS data set to help determine how many visits a patient should receive and when those visits should occur, with more than 350,000 patient records coming through the system every day, according to Conor Farley, vice president of development and client experience at Medalogix.

"We have 30% of home health coming into our system on a nightly basis," Farley told HHCN. "We looked at historical completed episodes to understand ... the appropriate level of care in order to achieve the outcome of discharge to the community."

The goal of the tool is to help cut down on overutilization while better managing patient outcomes. So far, it has been successful.

In a nine-month beta test with Encompass Health (NYSE: EHC), which recently made a minority investment in Medalogix, the Care platform reduced visits per episode by nearly three, on average, while still achieving the same readmission rate as before the tool was implemented, Farley said.

"If you're doing 20,000 episodes per year — which an agency [Encompass Health's] size is probably doing — times 2.85, we're saving you 57,000 thousand visits over the course of the year," Farley said. "If each visit costs about \$120, that's \$6.8 million in savings, and that's really where the value comes into play."



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While the tool, which Farley says is about 92% accurate, has obvious cost-savings implications, it’s not designed to drive reimbursement under PDGM. Instead, it’s financially agnostic.

“We are not in the business of maximizing financial gains in an episode,” Farley said. “Now, do the clinical outcomes align with some financial incentives? Yes, ... but we’re looking at a snapshot: What does the patient need to achieve the best outcome clinically? Then, that does tend to align with an agency’s financial incentives [under PDGM], too.”

them diversify their case mix under PDGM if necessary.

“I think the most important data is the information around where you can find patients and treat patients that align well with your clinical skills and the type of reimbursement that’s rewarded in the marketplace,” Griscavage said.



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Care is currently being used by Encompass Health and Amedisys Inc. (Nasdaq: AMED), with plans to go live with five more agencies in the next few months, Farley said.

In addition to its Care platform, other Medalogix products include Touch, Nurture and Bridge, the latter of which helps providers identify when patients are close to death.

Medalogix and its technologies are just one option for providers hoping to prepare for PDGM. Others include companies like PlayMaker, which helps providers by giving them access to data for referral sources’ referral patterns and patient makeup.

That way, providers can identify referral targets to help