

Quarterly Report

Post-Acute Industry Trends

Q1 - 2018

Excel Health



Our Presenters Today



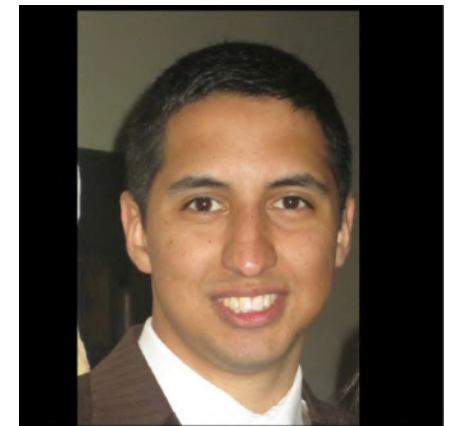
Sharon Harder | Consultant and Subject Matter Expert

- Sharon has over three decades of senior management experience and has service in chief operational and chief financial positions in a variety of organizations ranging from a major healthcare professional Association to post-acute healthcare providers and a technology firm.



Matthew Garcia | Solutions Engineer

- Mathew has over a decade of healthcare experience with a variety experience in analytical, financial, operational, and implementation roles working for both providers and vendors in the DFW metroplex. Matthew also has is Masters in healthcare administration.



Agenda



- The Data -- Where does it come from and how is it measured?
- Medicare Beneficiaries – An evolving population with changing care expectations.
- Post-Acute Discharge Trends - PAC Destinations and Practice Patterns
- Home Health Trends – Admissions, Utilization and Adherence
- Hospice Trends – Admissions and Utilization

The Data

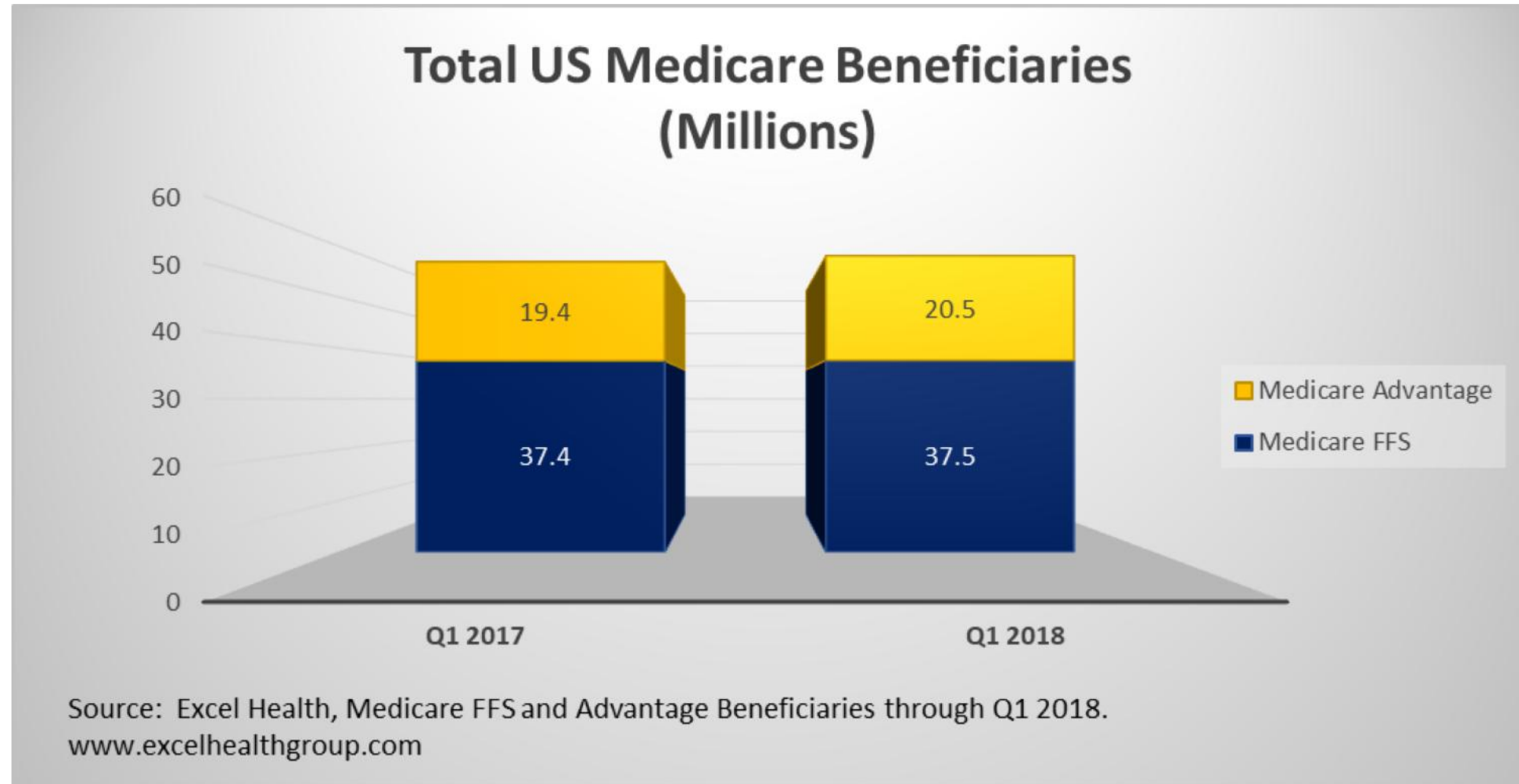


- Compiled from claims data in the CMS Chronic Conditions Warehouse
- All Medicare Fee-for-Service claims – including inpatient, outpatient, HH, Hospice and Physicians
- More than 1 Billion claims updated each quarter
- An invaluable source for measuring market trends and shifts
- The same claims data that is used by regulators and Medicare contractors

Medicare Beneficiaries



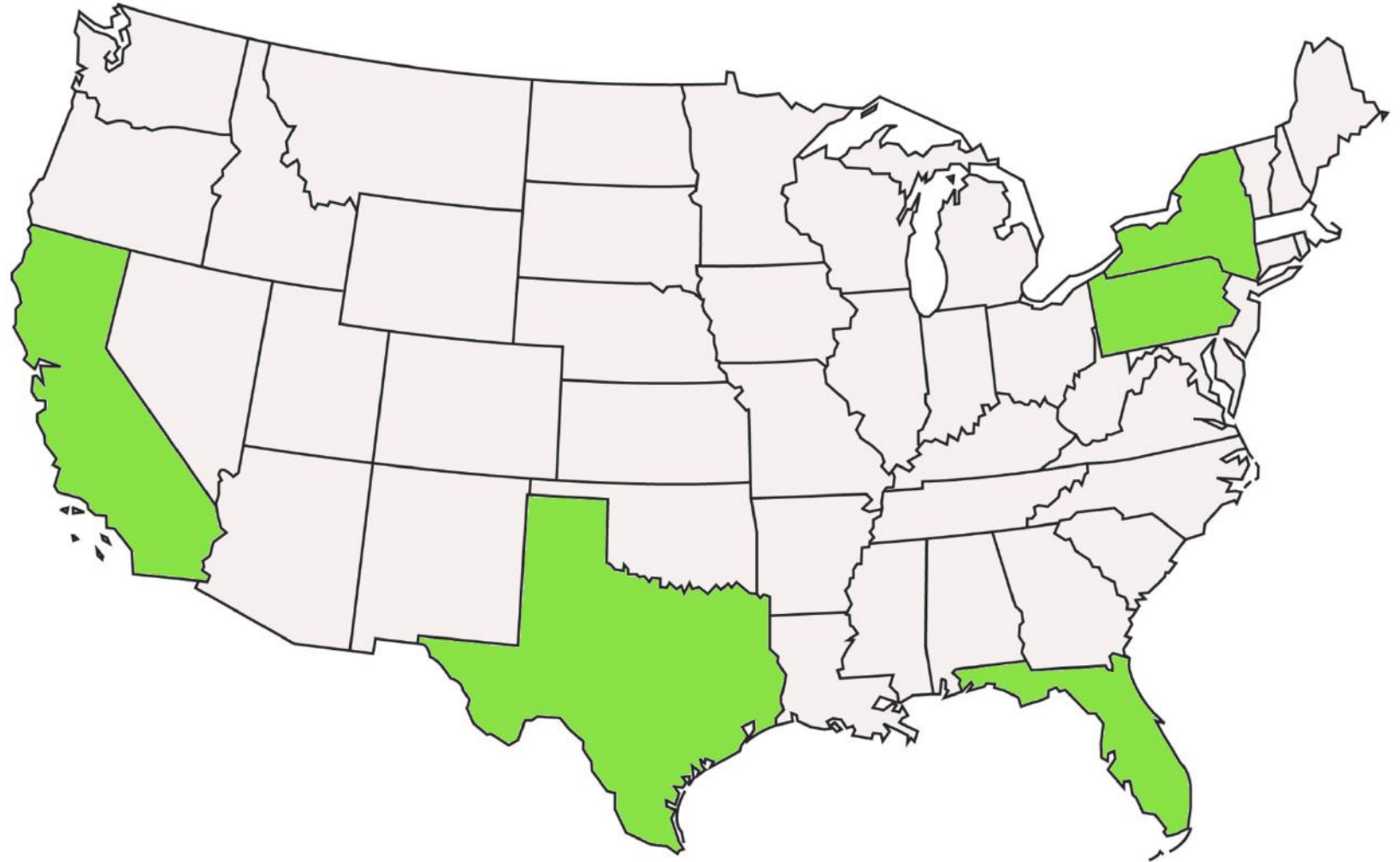
- Four quarter growth of 1.2 Million individuals
- 300,000 new beneficiaries per quarter
- 3,300 new beneficiaries each day



States with the Highest Concentration of Beneficiaries



- 35% of all Medicare beneficiaries are located in one of these States –
 - CA
 - TX
 - FL
 - PA
 - NY



Baby Boomers – Evolving Care Expectations

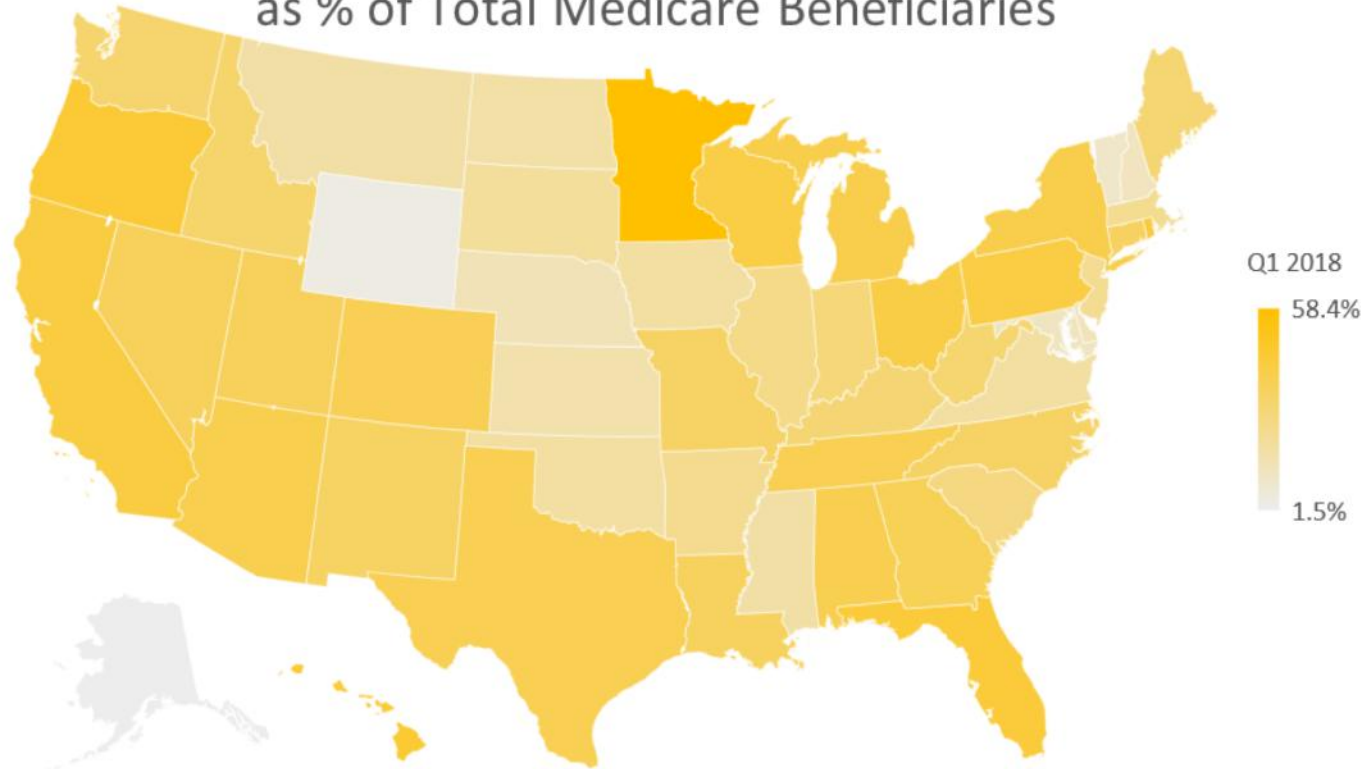


- Born in the 18-year span between 1946 and 1964
- “Leading Edge” boomers
 - Born between 1946 and 1955
 - Most have aged into the program
 - 78% of the people in this group are satisfied with their health plan
 - A little less likely to embrace technology
 - More likely to move into retirement housing
- “Trailing Edge” boomers
 - Born between 1956 and 1964
 - Will be aging into the program through 2029
 - 58% express some level of dissatisfaction with health coverage
 - Very likely to use technology but concerned with privacy
 - More likely to stay in their own homes as long as possible

The Growth in Medicare Advantage Enrollment



Medicare Advantage Enrollment as % of Total Medicare Beneficiaries



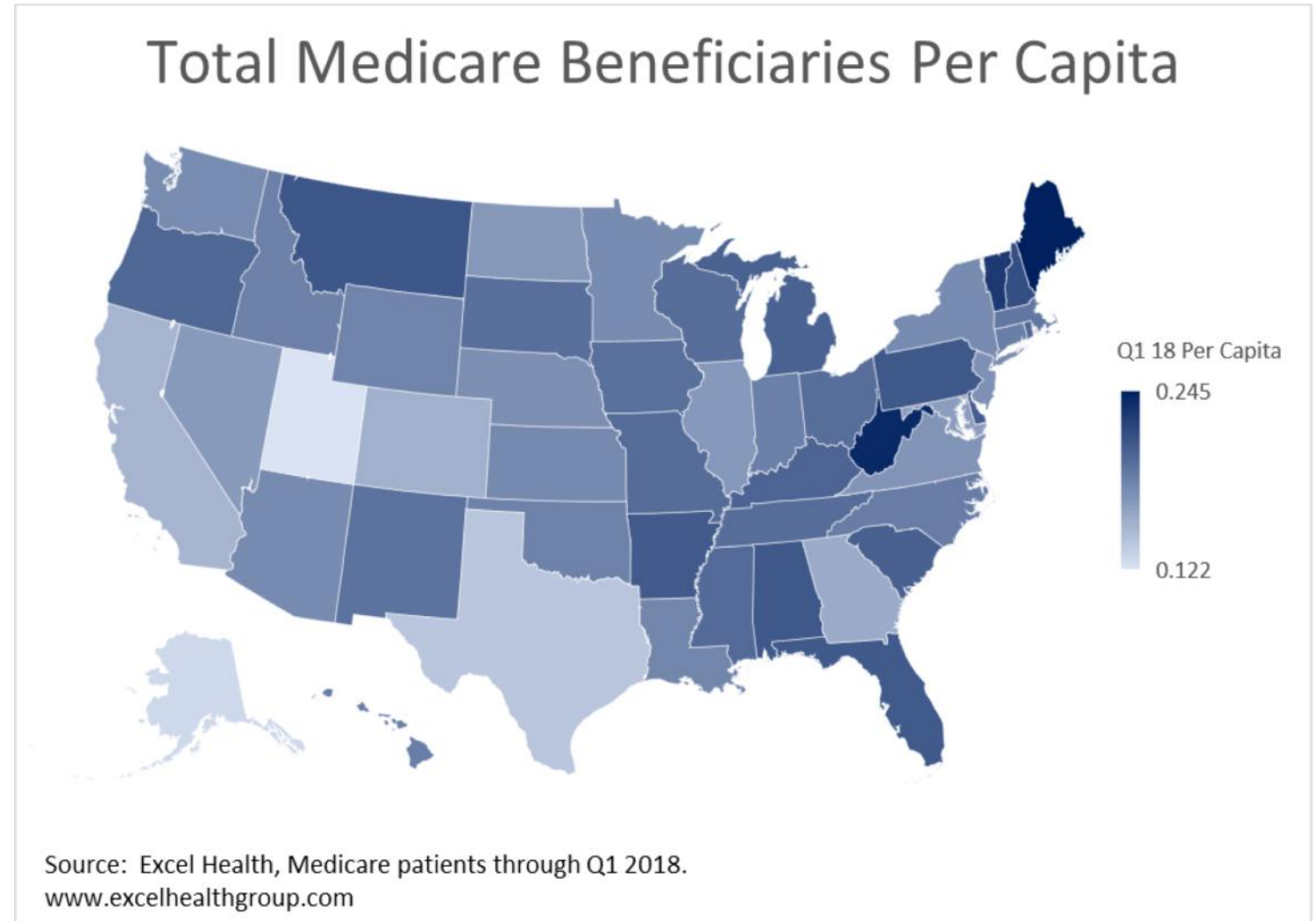
Source: Excel Health, Medicare Advantage Beneficiaries through Q1 2018.
www.excelhealthgroup.com

- Medicare Advantage now accounts for 35% of all beneficiaries
- 40% are located in CA, FL, MN, OR or PA
- 11 States have at least 40% of their beneficiaries covered by a Medicare Advantage plan (MN, HI, OR, RI, FL, CA, PA, OH, WI, MI, NY)
- About 2/3 of Med Advantage enrollees are in an HMO – 1/3 in PPOs

Beneficiaries Per Capita



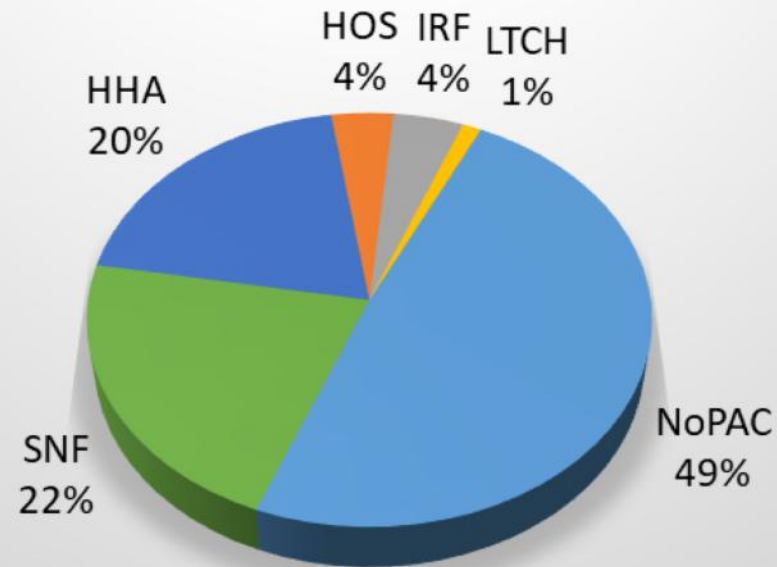
- Top 10
 - ME, WV, VT, NH, MT, PA, AL, FL, AR and DE
 - Between 21% and 25% of the total population
- Bottom 7 with < 16%
 - GA, CO, CA, TX, DC, AK and UT
- ID, AZ, NV, DE, UT and SC have growth of at least 1%



Post-Acute Discharge Trends



**Post Acute Discharge Destinations
From Hospital Inpatient Setting**



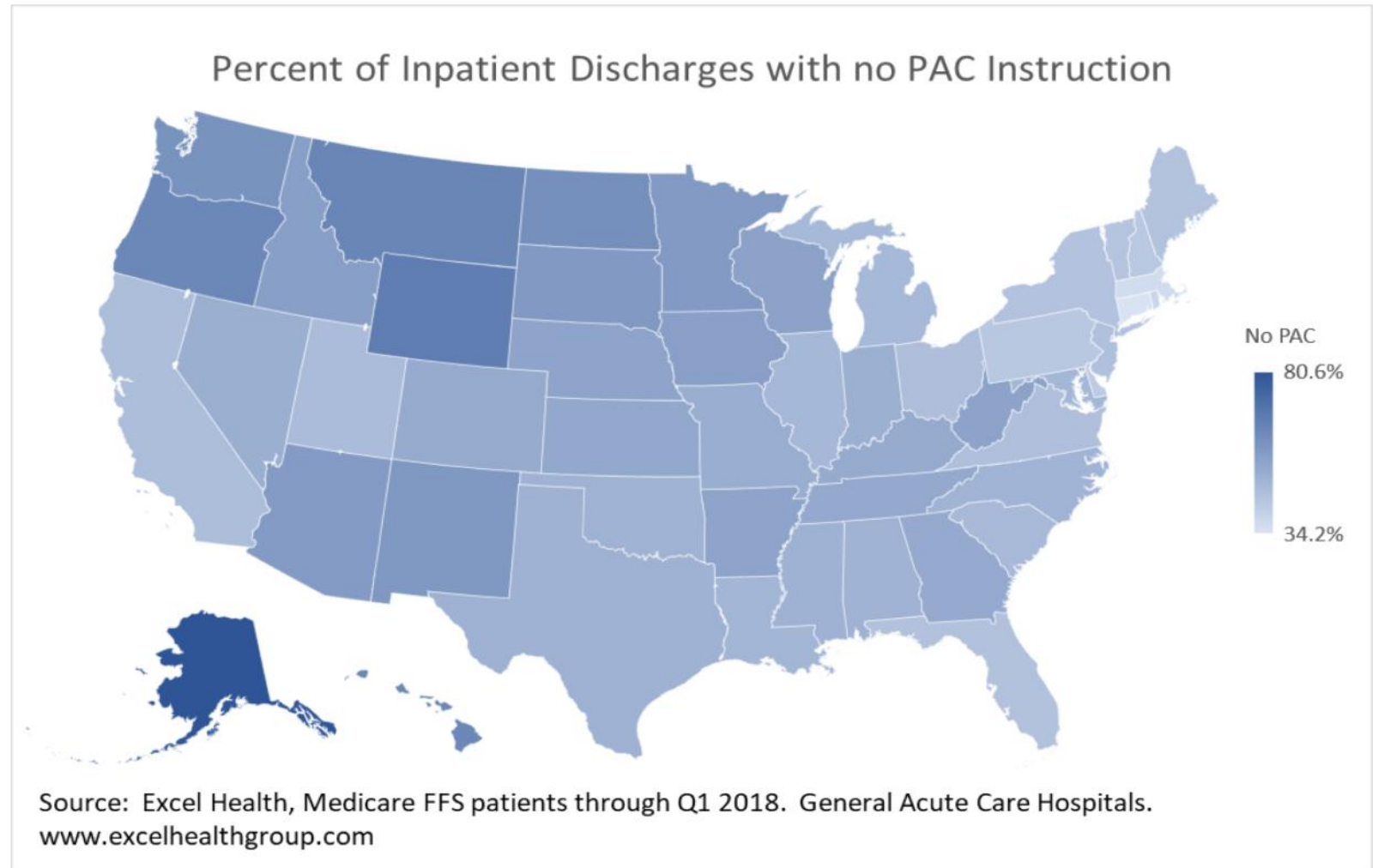
Source: Excel Health, Medicare FFS patients through Q1 2018. General Acute Care Hospitals.
www.excelhealthgroup.com

- Almost half of all hospital inpatients are discharged without PAC instructions
- HH and SNFs account for 42%
- Hospice, IRFs and LTCHs account for <10% combined

Post-Acute Discharges – Practice Pattern Differences



- No PAC DC rates are highest in the West
- Patients in AK, HI, WA, OR, MT, WY and ND are discharged without PAC instructions 60% of the time
- Eastern States have a higher rate of PAC DCs
- Patients in ME, NH, VT, MA, CT, RI, NY and DE are more likely to be coded for a post-acute destination



The Case for Post-Acute Care

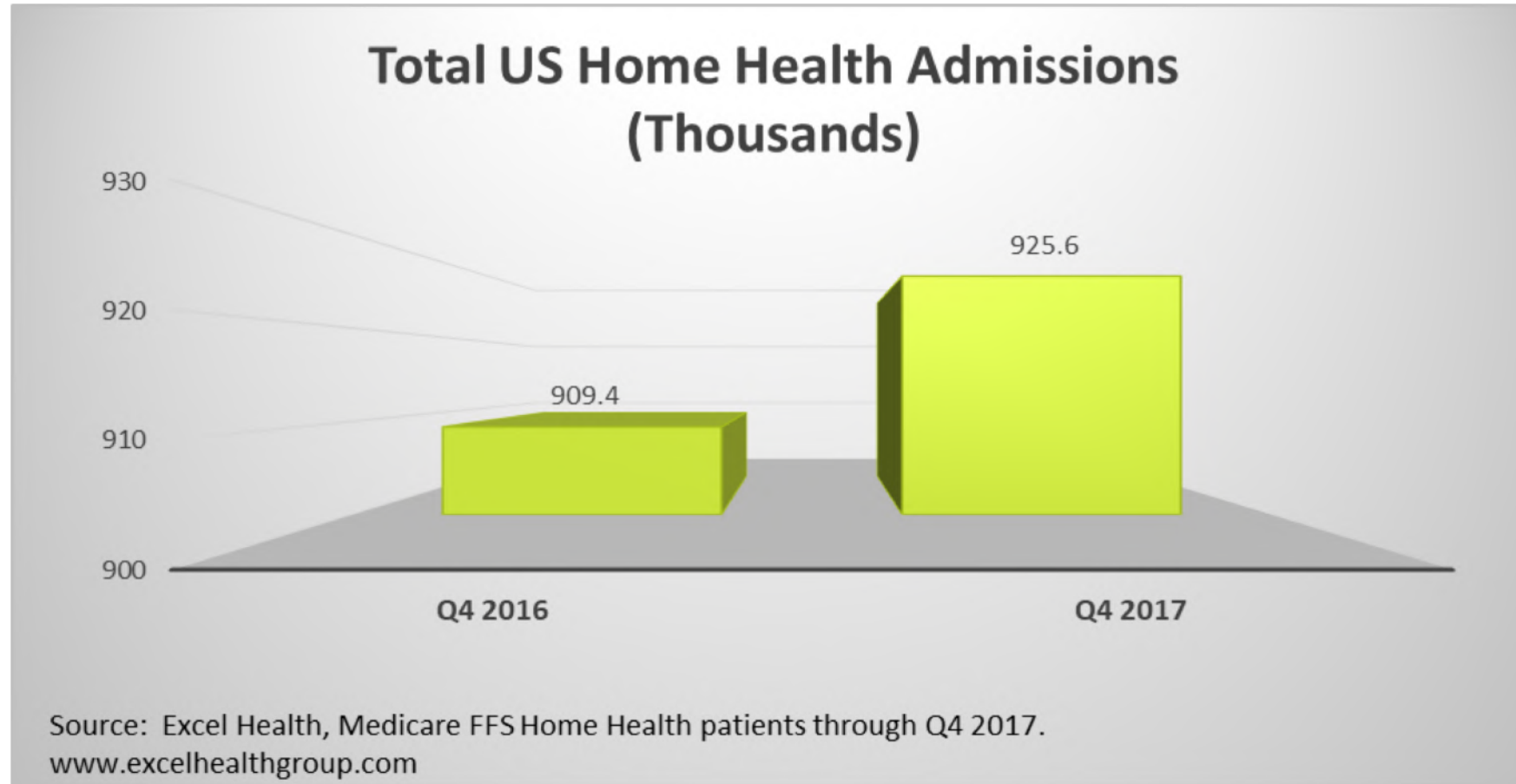


- CMS spends about \$60 Billion on post-acute care each year
 - About half - \$29.6 Billion – goes to SNF spending
 - HH spend accounts for \$18.4 Billion
- The Patient Driven Payment Model for SNFs takes effect October 1, 2019
- SNF Value Based Purchasing is based on avoidable hospital readmission rates with 60% of withheld sequestration being redistributed to SNFs with lowest readmit rates
- These two factors likely to boost HH partnership and network opportunities as SNF LOS goes down and readmission concerns escalate

Home Health Admissions



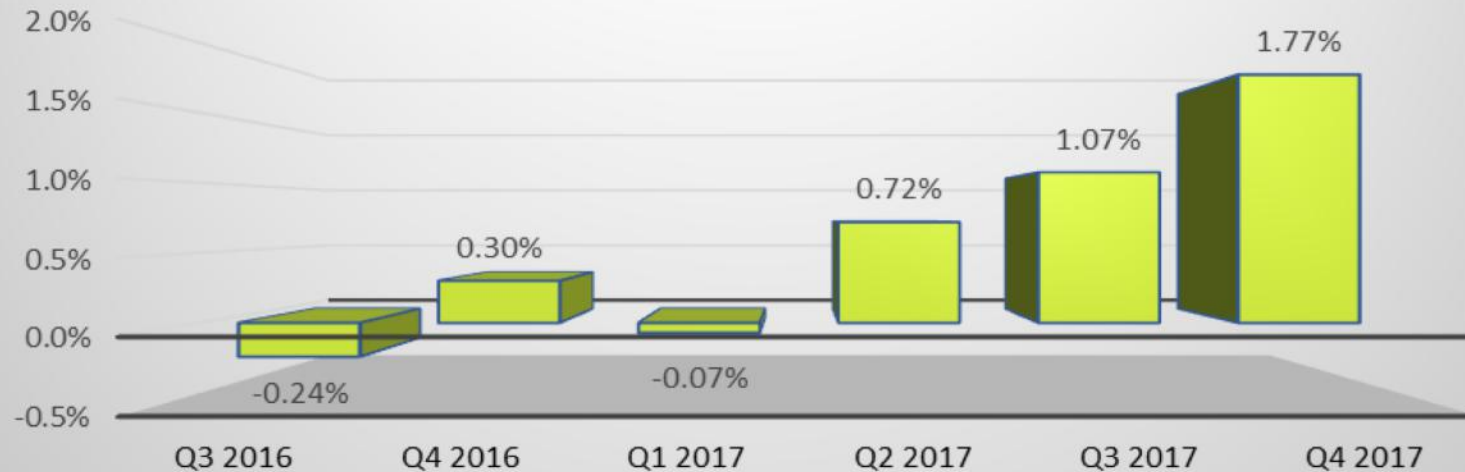
- HH admissions grew 1.8% - 16,200 new admissions



Home Health Admission Growth – Quarter to Quarter



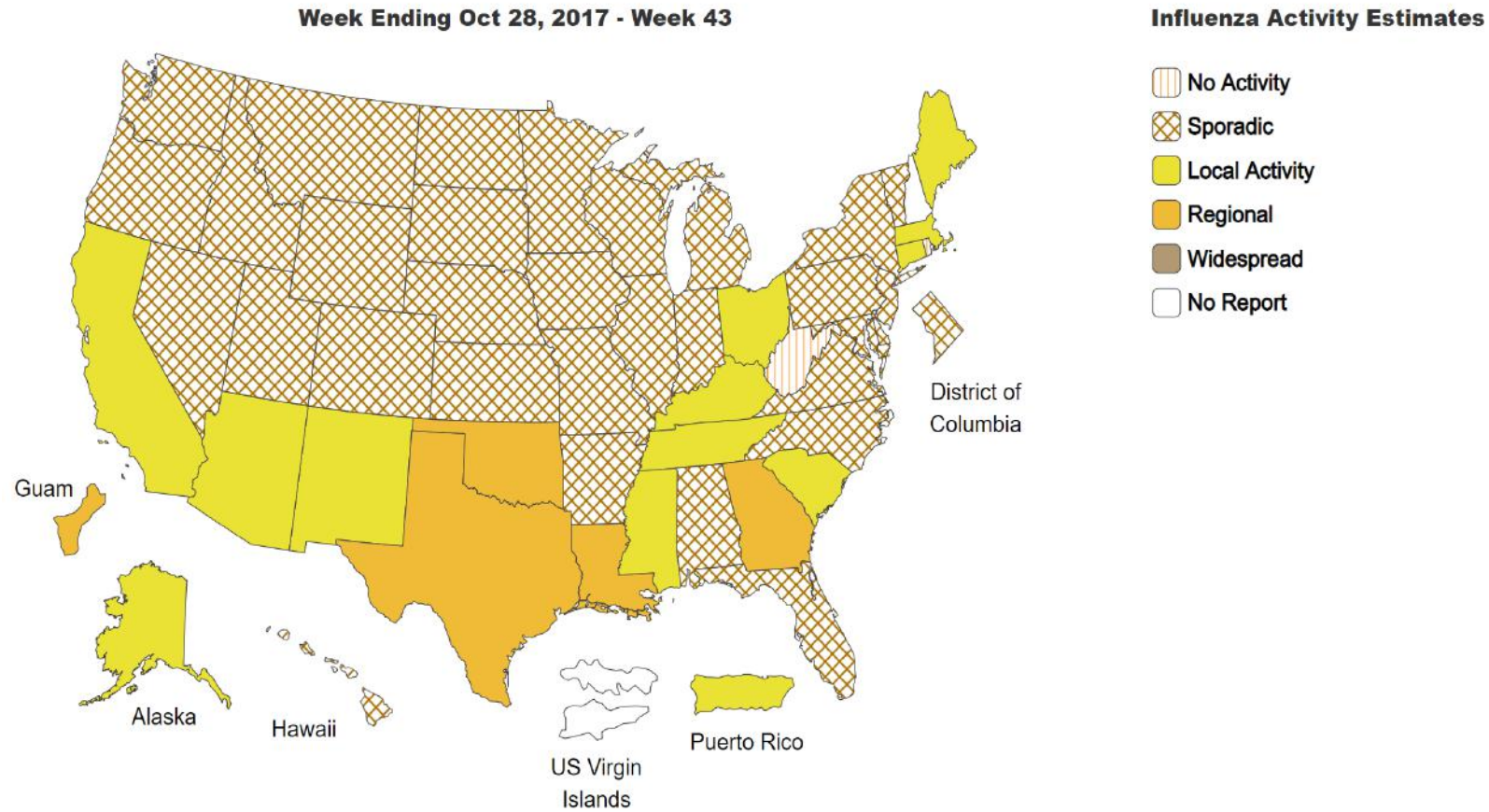
Total US Home Health Admissions Growth (vs. Same Quarter Last Year)



Source: Excel Health, Medicare FFS Home Health patients through Q4 2017.
www.excelhealthgroup.com

- Significant increase that began in Q3 2017
- The flu season started early and ended later than usual
- Believed to be the primary cause of the HH admission spike

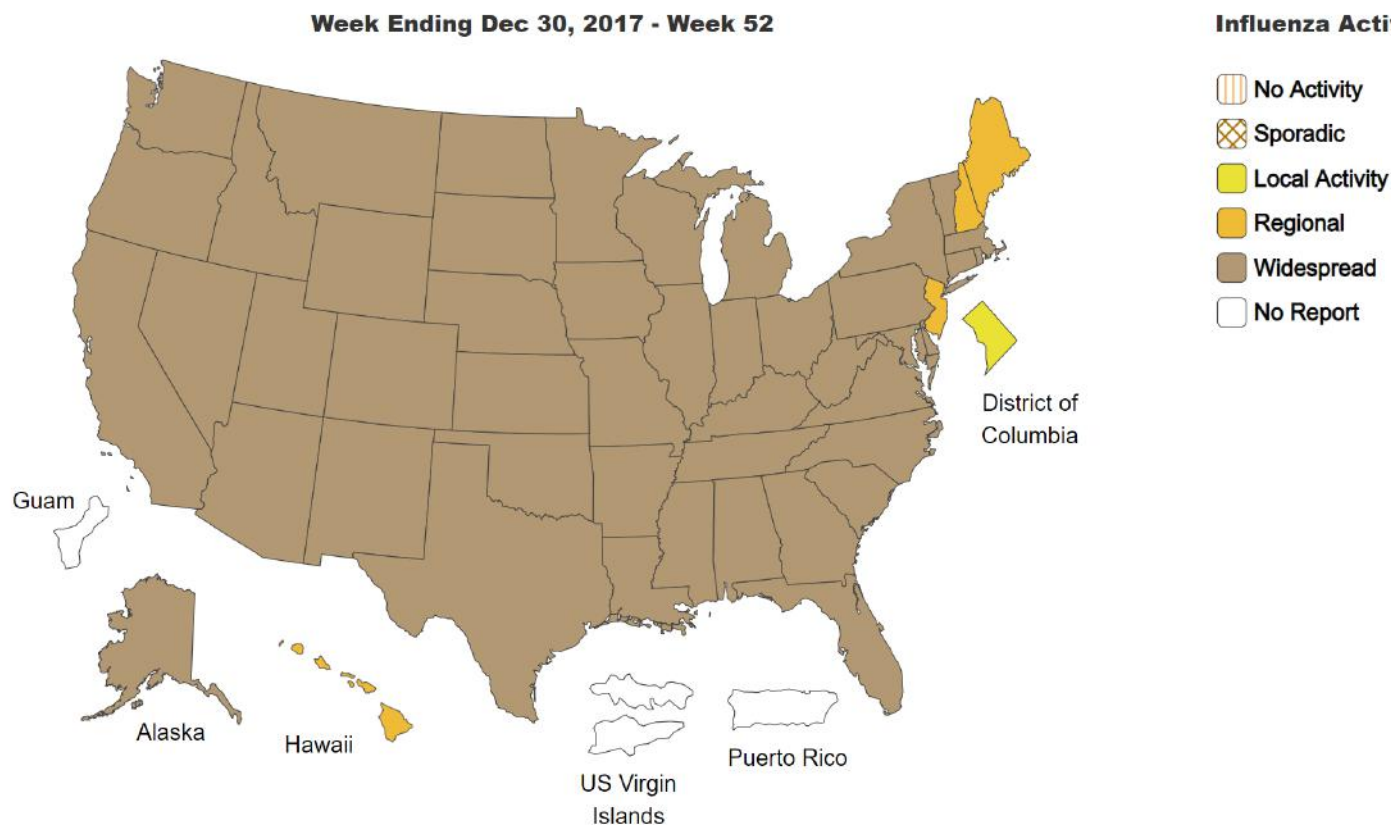
2017-2018 Flu Season – WE 10/28/17



Source: Centers for Disease Control

Proprietary & Confidential

2017-2018 Flu Season – WE 12/30/2017



- Only 4 States and DC had less than widespread flu outbreak

During the 19-week season reports of flu and flu-like illness peaked at 7.5%

People over 65 accounted for 58% of flu related hospitalizations

Admission growth highest in AK, SD, NM, CA, AZ, VA, MN, UT, WA and FL – all with high elderly populations

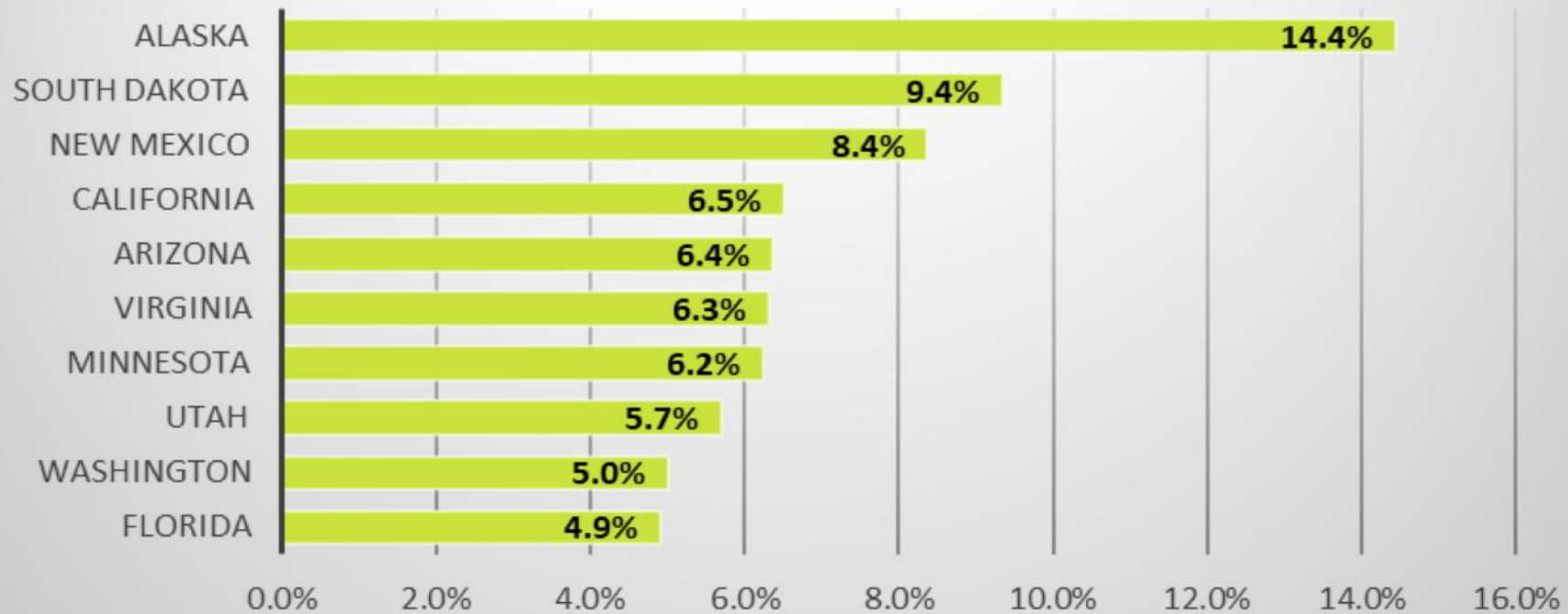
Source: Centers for Disease Control

Home Health Admissions – States with Highest Gains



Home Health Admissions Top 10 Gainers

% Growth Q4 '17 vs. Q4 '16



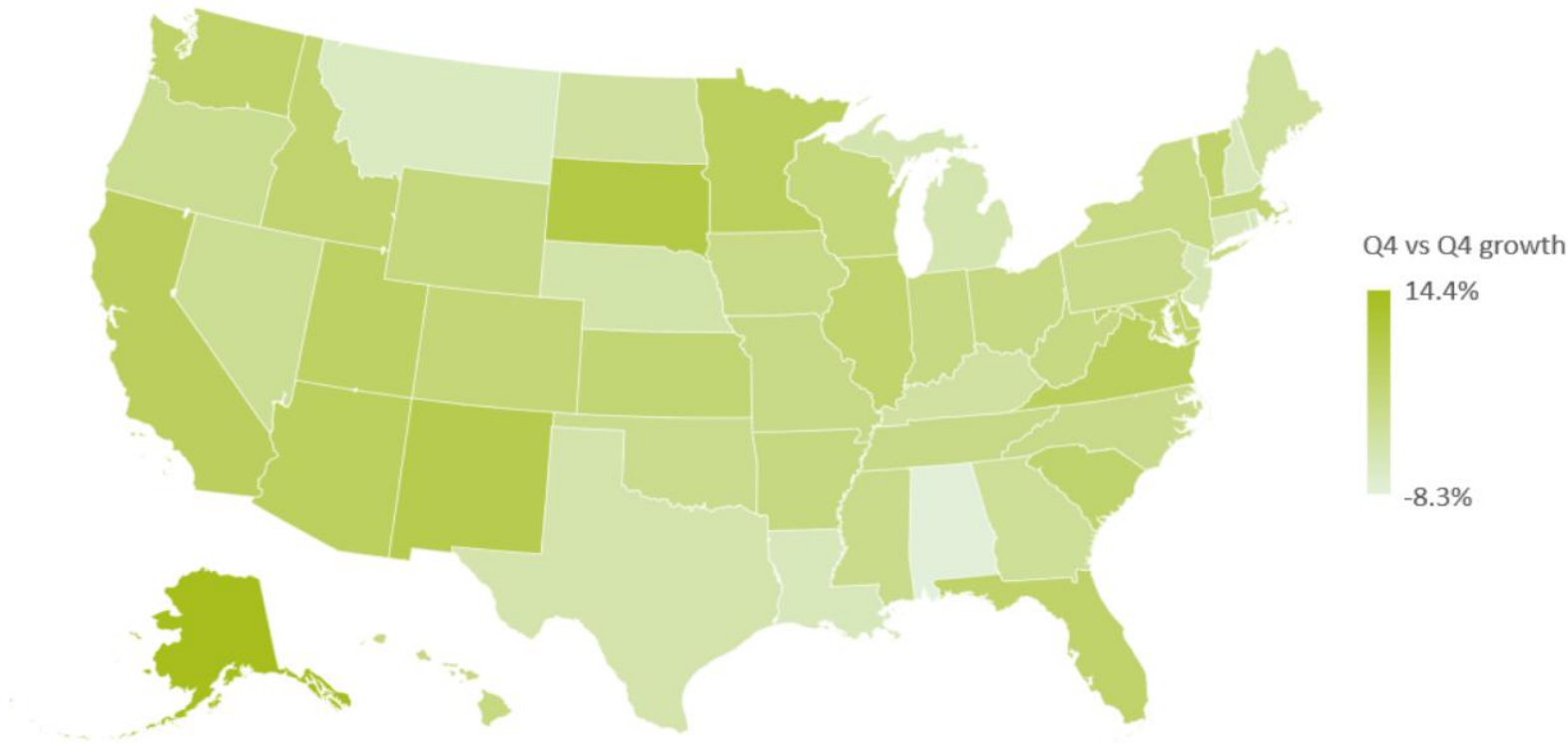
Source: Excel Health, Medicare FFS Home Health patient admissions through Q4 2017.
www.excelhealthgroup.com

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Home Health Admissions – Growth by State



Home Health Admissions Growth

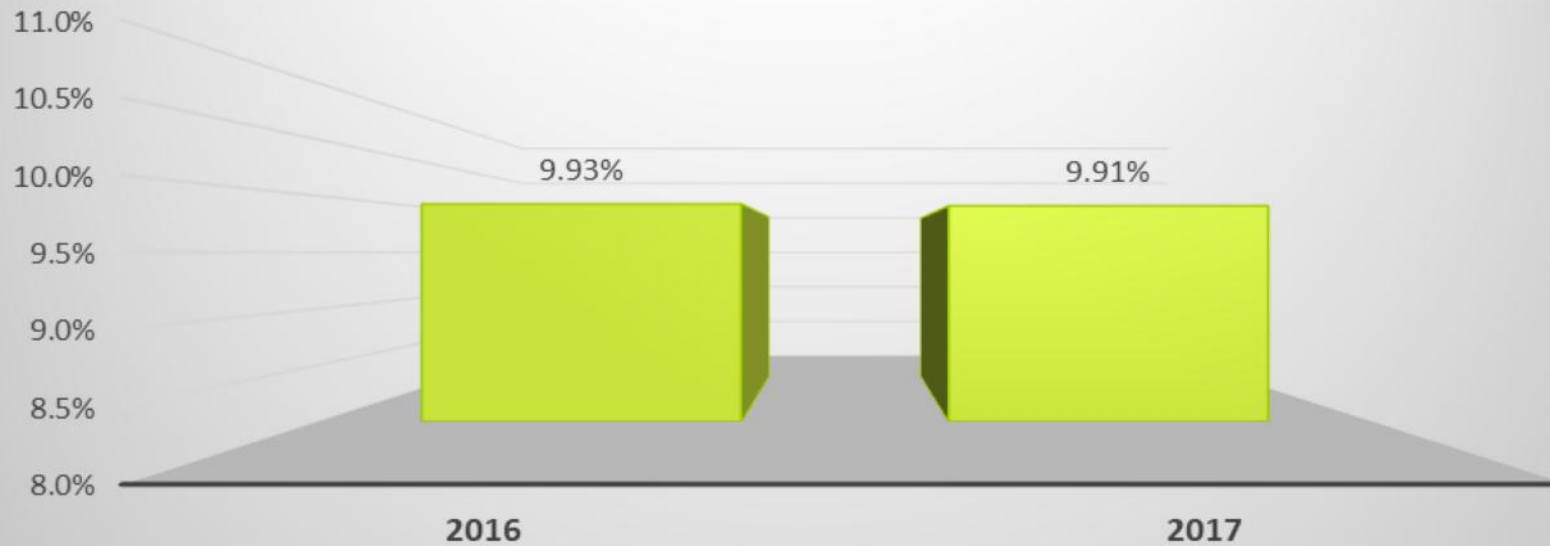


Source: Excel Health, Medicare FFS Home Health patients through Q4 2017.
www.excelhealthgroup.com

- Not all fared the same
- 7 of the 10 States with highest admission growth are in the West
- Growth rate for these States is from 5% to over 14%
- Admission rate losses in 14 States – from -.5% in GA to -8.3% in AL



Total US Home Health Utilization Most Recent 4 Quarters



Source: Excel Health, Total Home Health Admissions as a % of Medicare FFS Enrollees through Q4 2017.
www.excelhealthgroup.com

- Calculated as total admissions / FFS beneficiaries
- Annualized utilization is flat at just under 10%

Quarterly Trend – Home Health Utilization

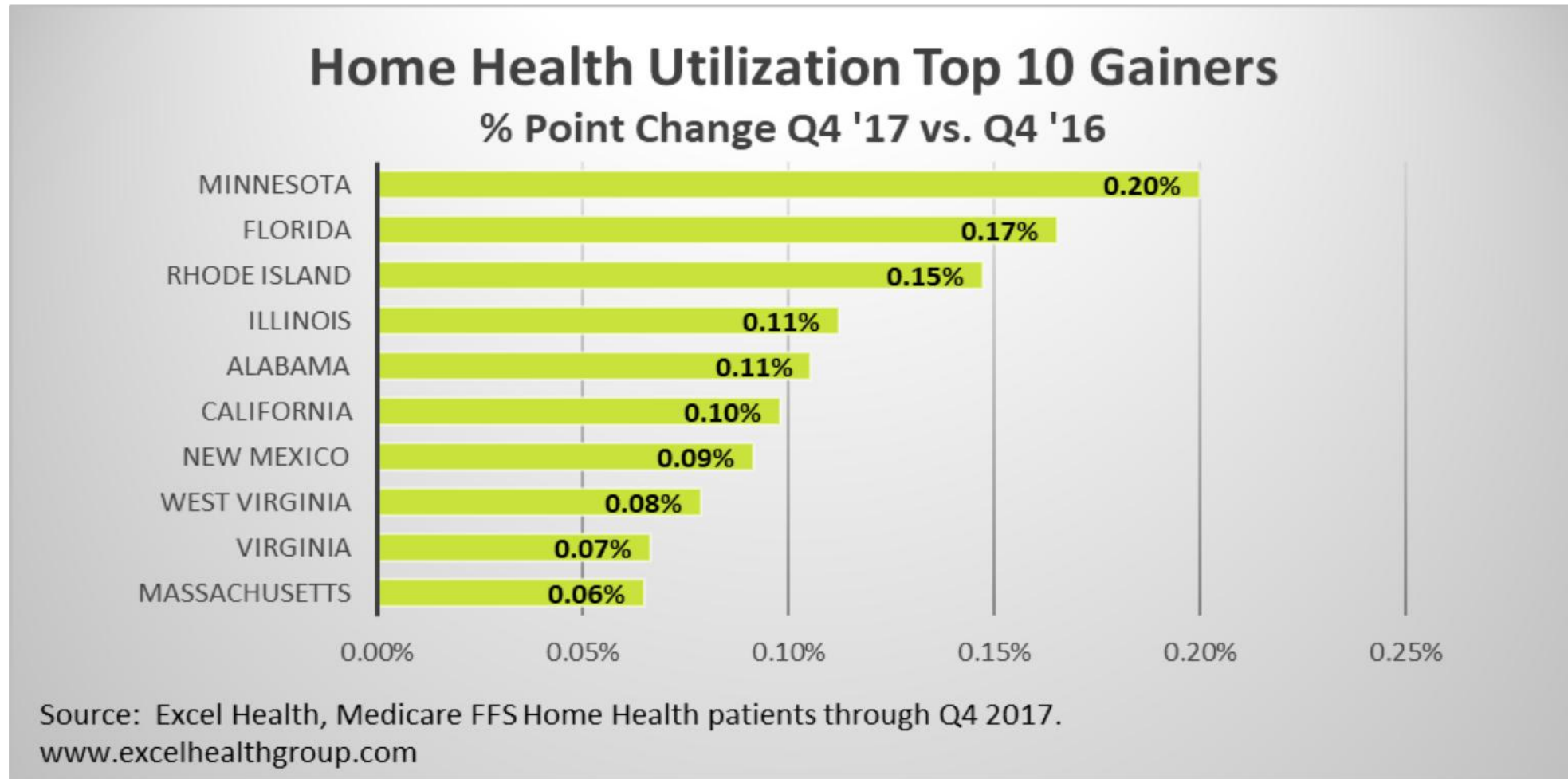


Total US Home Health Utilization

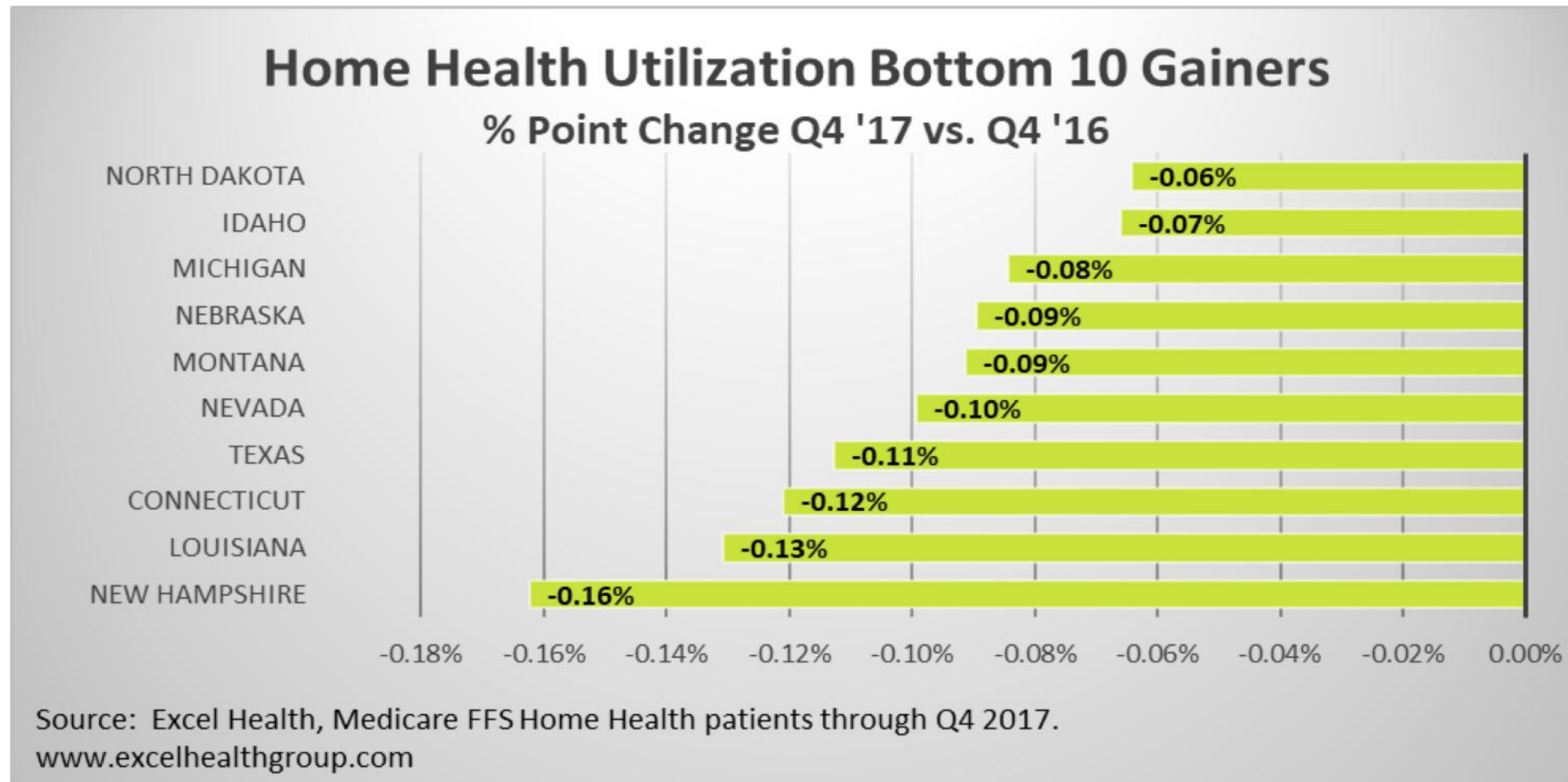


Source: Excel Health, Total Home Health Admissions as a % of Medicare FFS Enrollees through Q4 2017.
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State by State Utilization Trends – Top 10



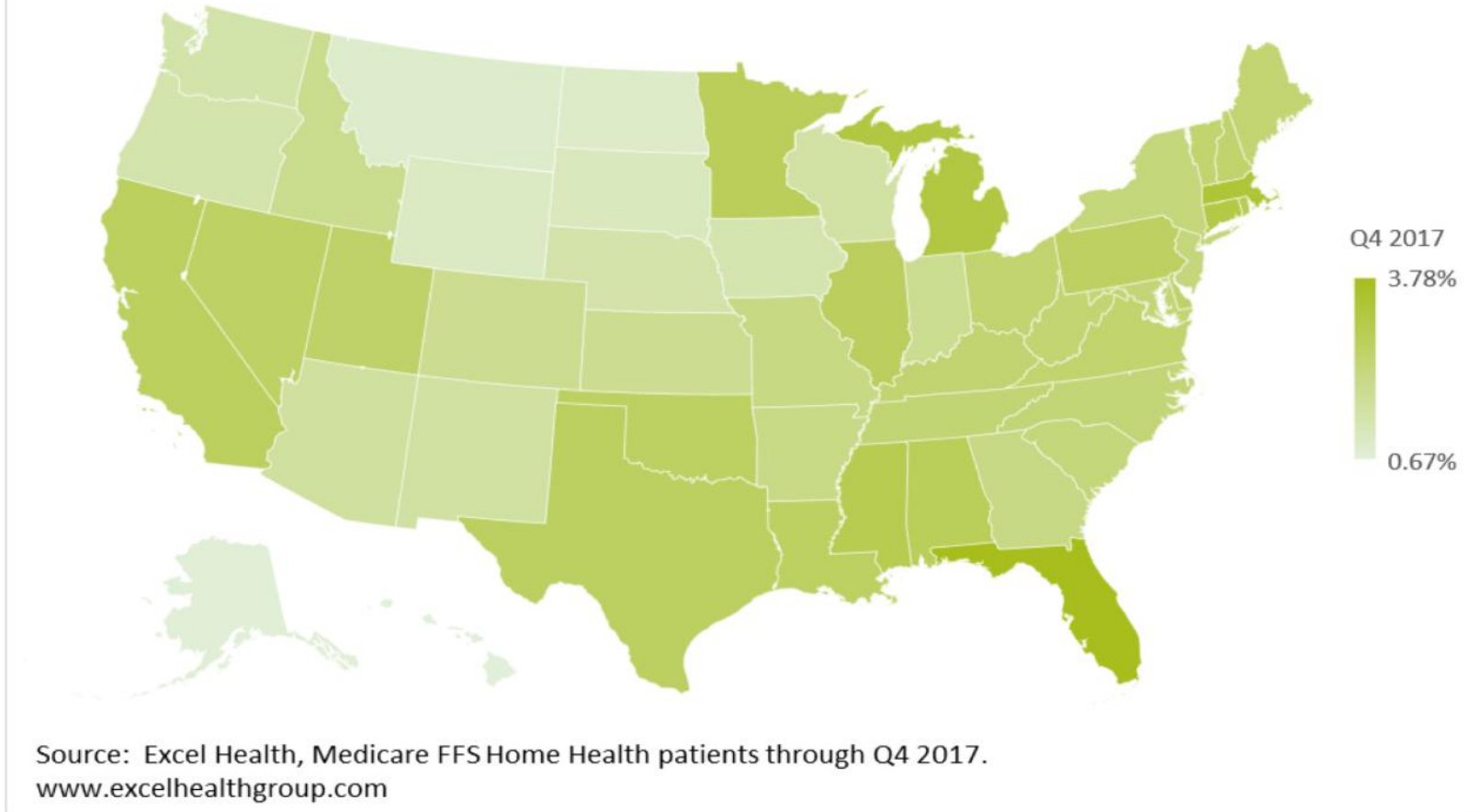
State by State Utilization – Bottom 10



Utilization Rates by State

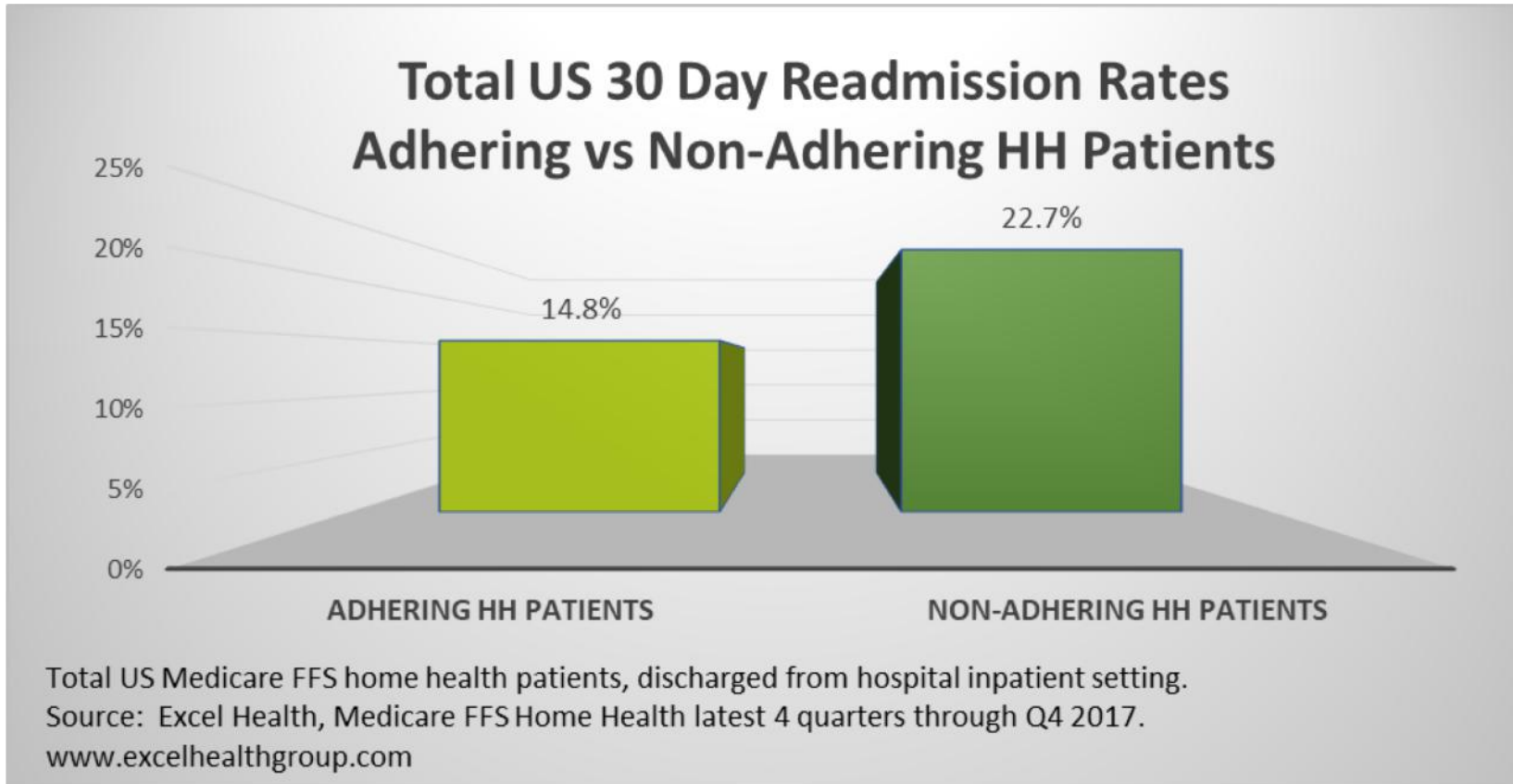


Home Health Utilization



- Highest utilization in FL, MA, MI and CT – all with > 3% utilization rates
- Top 10 – FL, MA, MI, CT, MS, RI, MN, AL, IL, CA
- Lowest utilization in sparsely populated States of WY, ND, MT, AK, and HI – all with 1% or less

Home Health Adherence and Hospital Readmissions

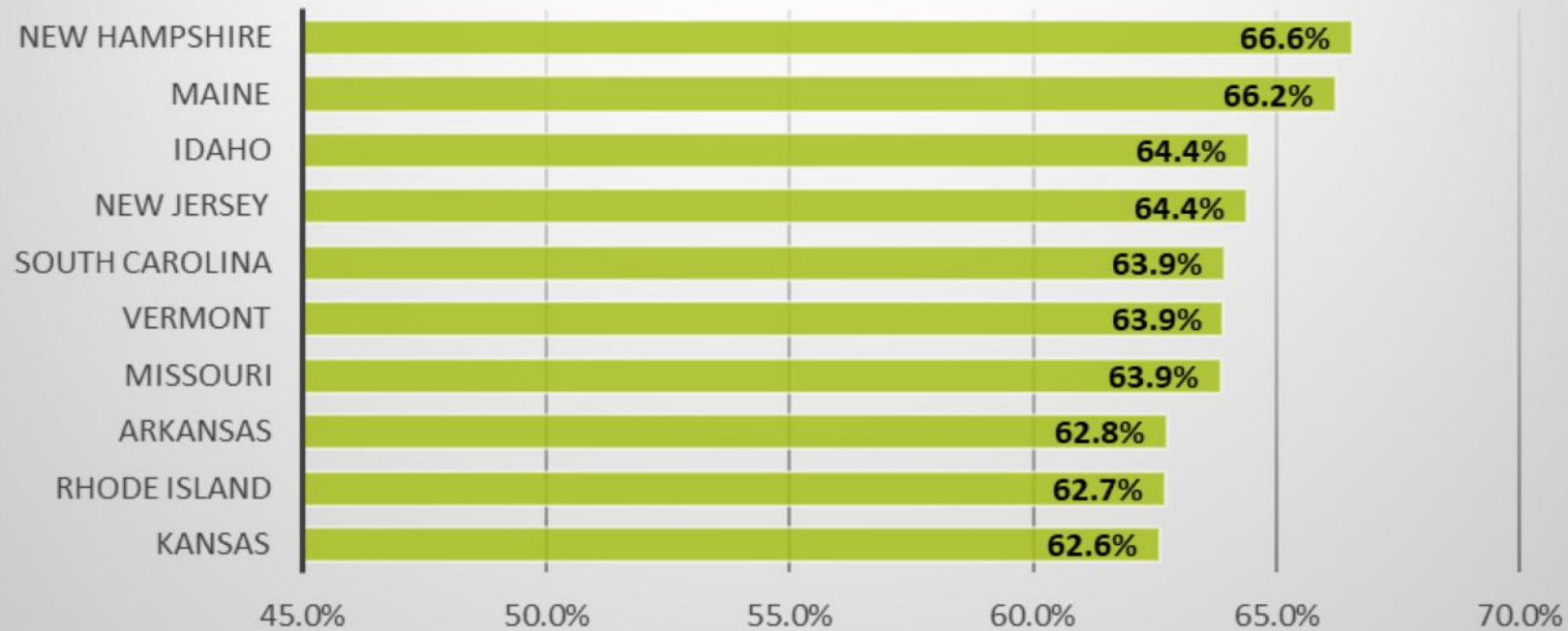


- Readmission rates are of great concern to inpatient providers
- Nearly 4 in 10 patients discharges from hospitals – and coded for HH – do not get the anticipated services!
- These patients are 50% more likely to be readmitted

Adherence by States – Top 10



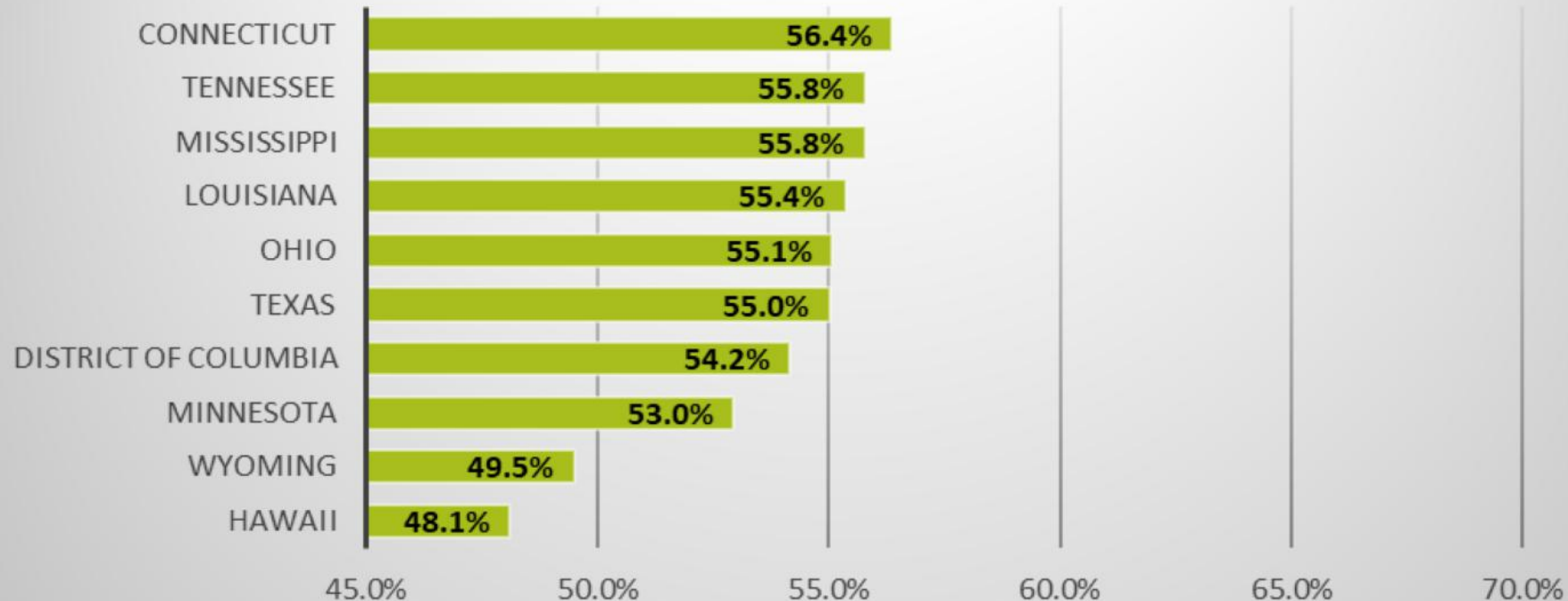
Home Health Adherence Top 10 States



Source: Excel Health, Medicare FFS Home Health patients through Q4 2017.
www.excelhealthgroup.com

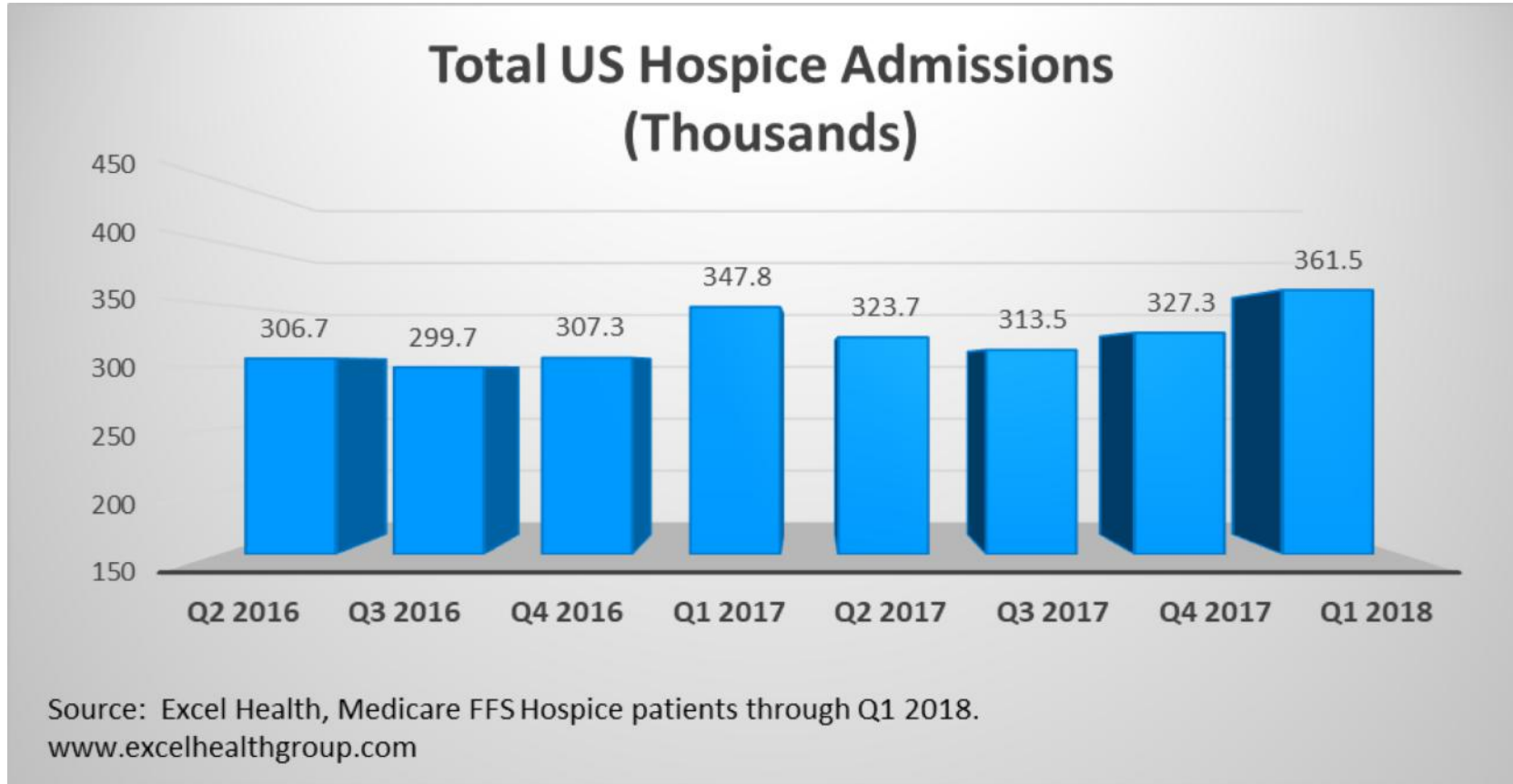


Home Health Adherence Bottom Top 10 States



Source: Excel Health, Medicare FFS Home Health patients through Q4 2017.
www.excelhealthgroup.com

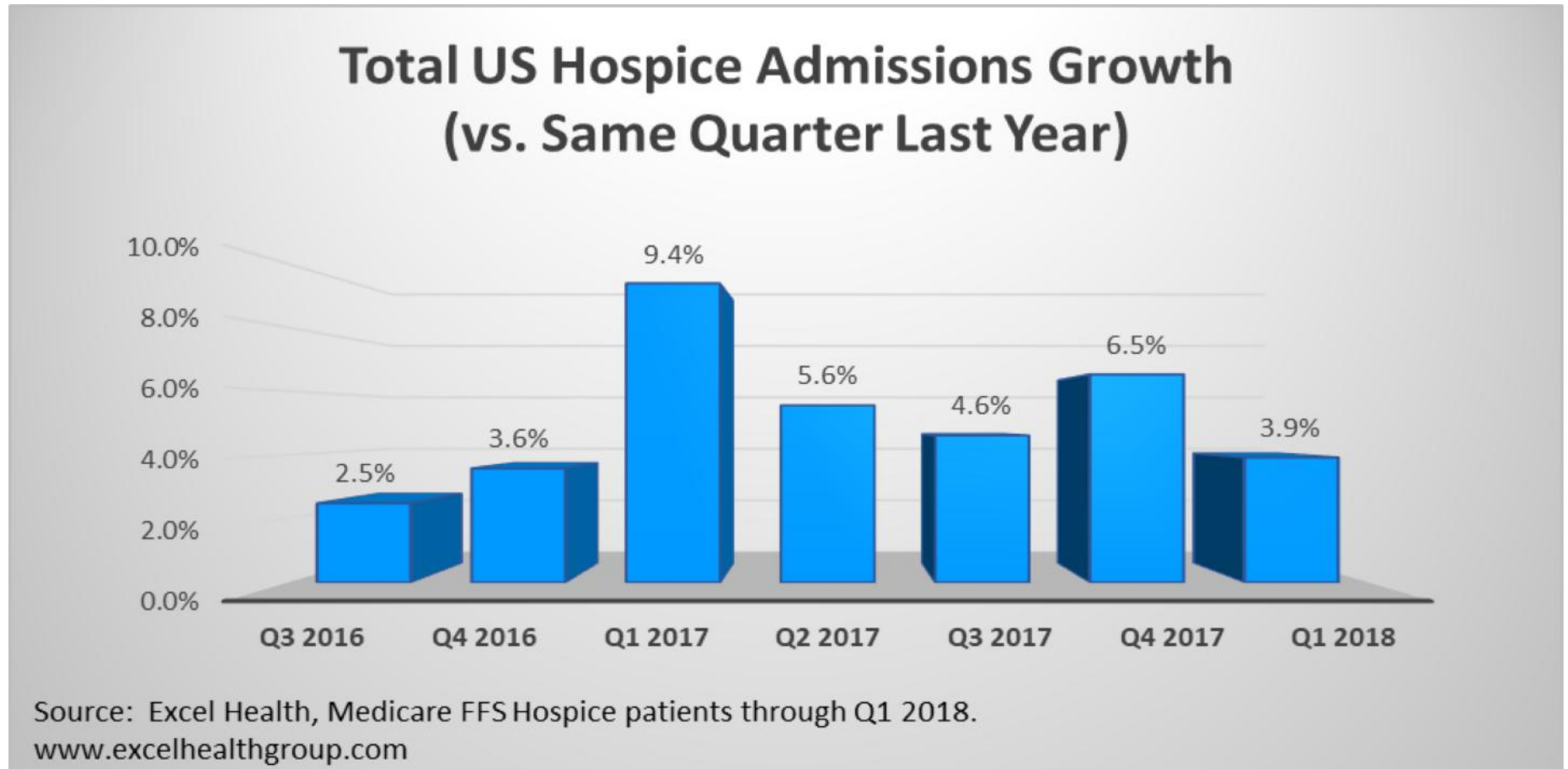
Hospice Admissions



- Comparing Q1 18 to Q1 17 shows an increase of 13,700 admissions
- Some of the growth can be attributed to the 2016 CMS change that allows physicians to bill for advance care planning
- Research suggests that patients are 7 times more likely to elect hospice following a physician discussion or recommendation



- 48% of all hospice patients are over 84
- As baby boomers age into Medicare the proportion of more elderly patients will drop
- Baby boomers are more likely to have higher rates of chronic illness than Medicare beneficiaries born prior to 1946

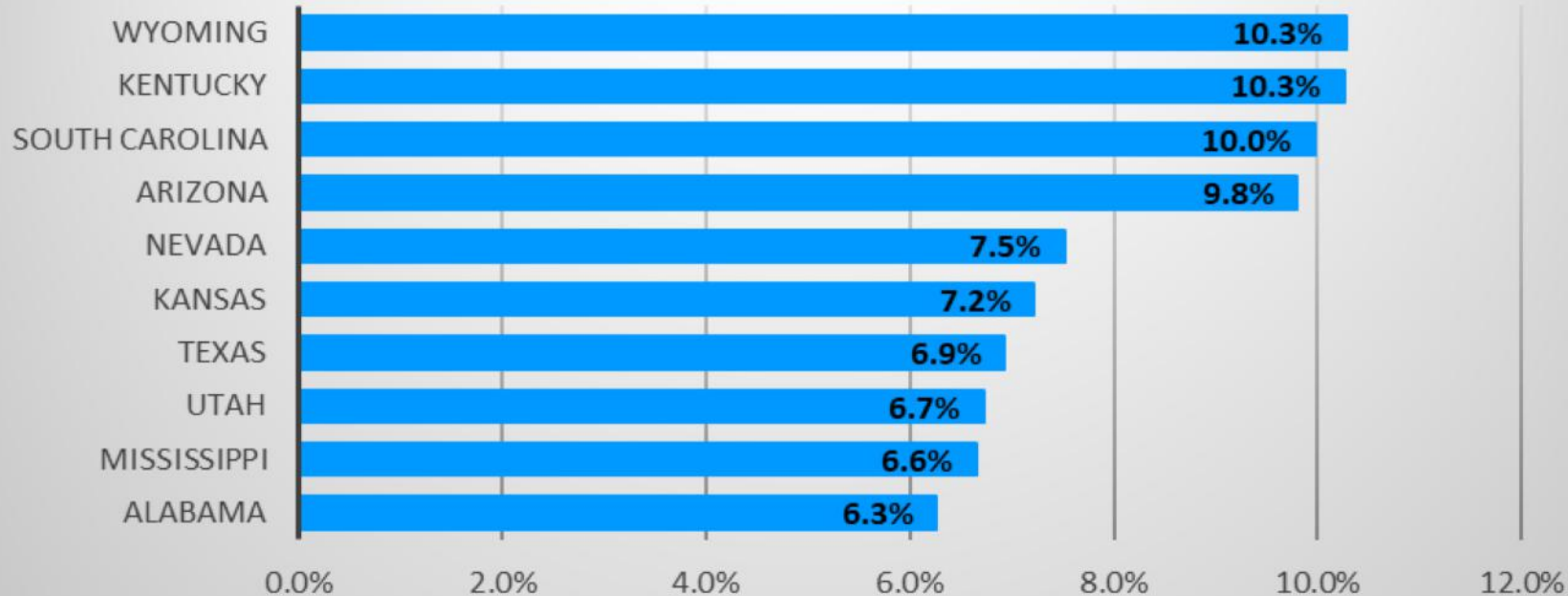


Hospice Admissions by States – Top 10



Hospice Admissions Top 10 Gainers

% Point Change Q1 '18 vs. Q1 '17



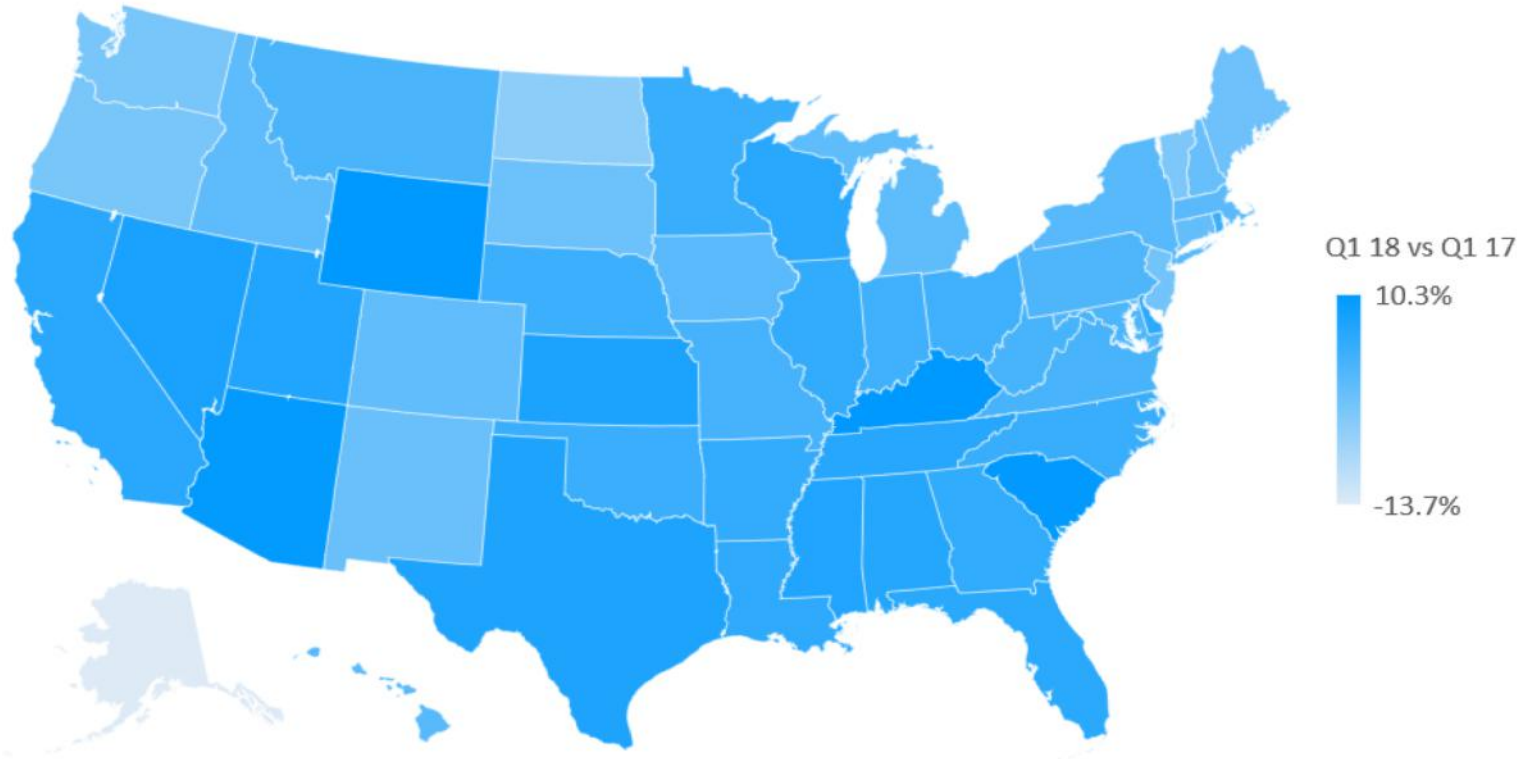
Source: Excel Health, Medicare FFS Hospice patient admissions through Q1 2018.
www.excelhealthgroup.com

- Admission growth does not necessarily equate to the growth in hospices when comparing the States

Hospice Admission Growth Rates by State



Hospice Admissions Growth



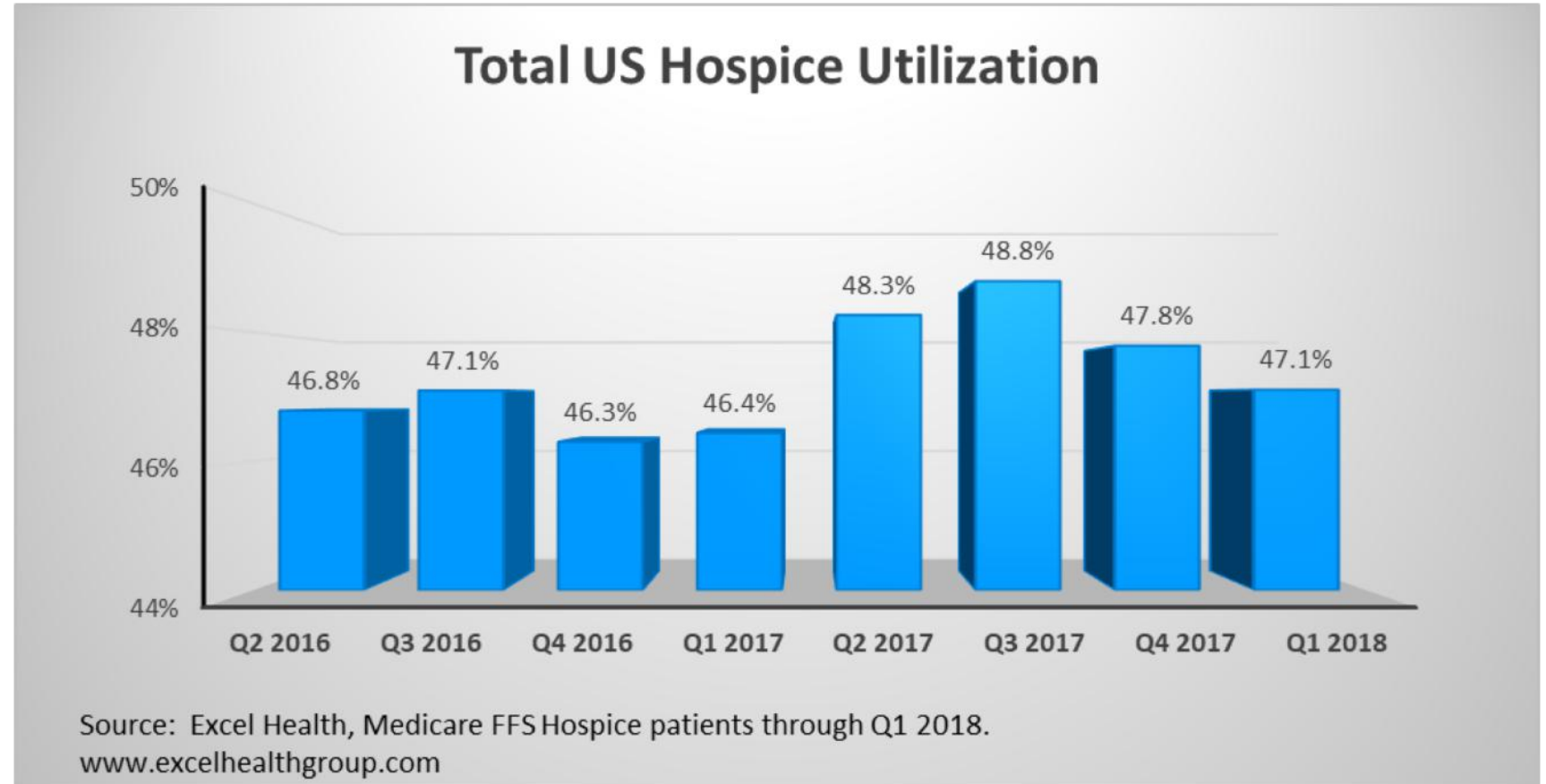
Source: Excel Health, Medicare FFS Hospice patients through Q1 2018.
www.excelhealthgroup.com

- 3 States – WY, KY and SC – saw growth of 10% or more
- 13 States with 5% to 9% growth in admissions
- 21 others with 0% to 4.9%
- 13 States with losses, led by AK with a 13.7% decline

Hospice Utilization



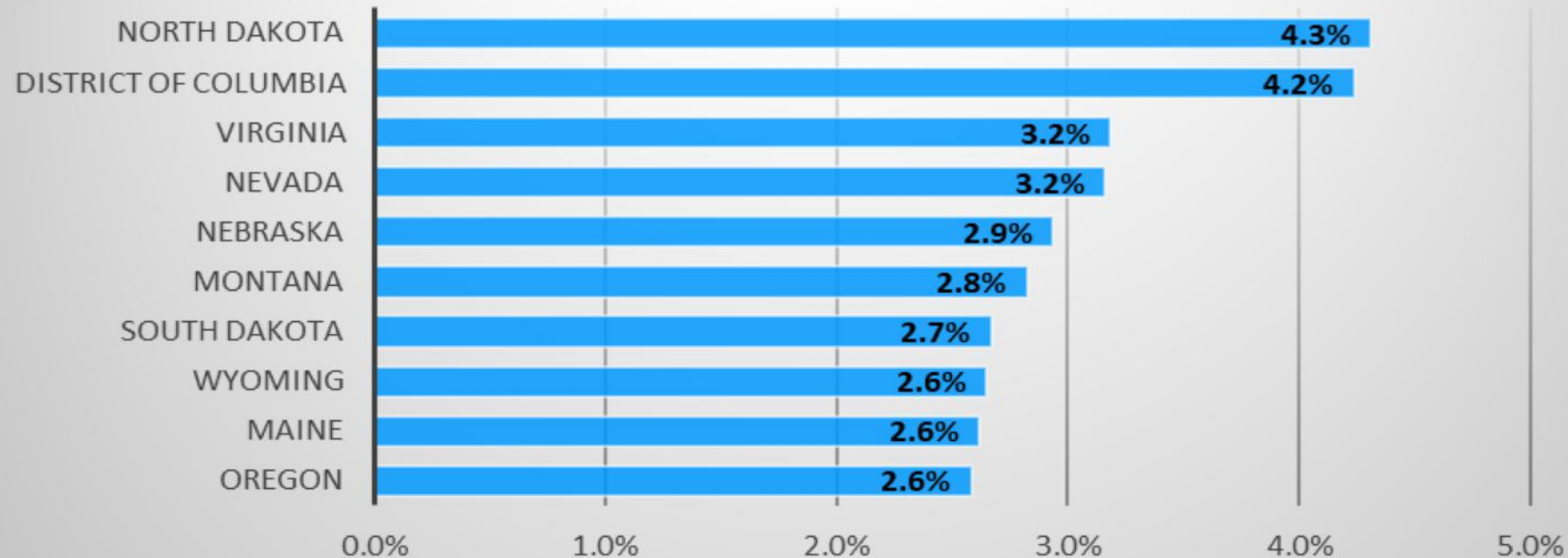
- Utilization is measured as the relationship between hospice and all other Medicare decedents
- Q1 2017 to Q1 2018 rose .7%
- Suggestive of more positive physician involvement in end of life planning and hospice elections



Hospice Utilization – Top 10 State Gains



Hospice Utilization Top 10 Gainers % Point Change Q1 '18 vs. Q1 '17



Source: Excel Health, Medicare FFS Hospice patients through Q1 2018.
www.excelhealthgroup.com

Hospice Utilization > 50%



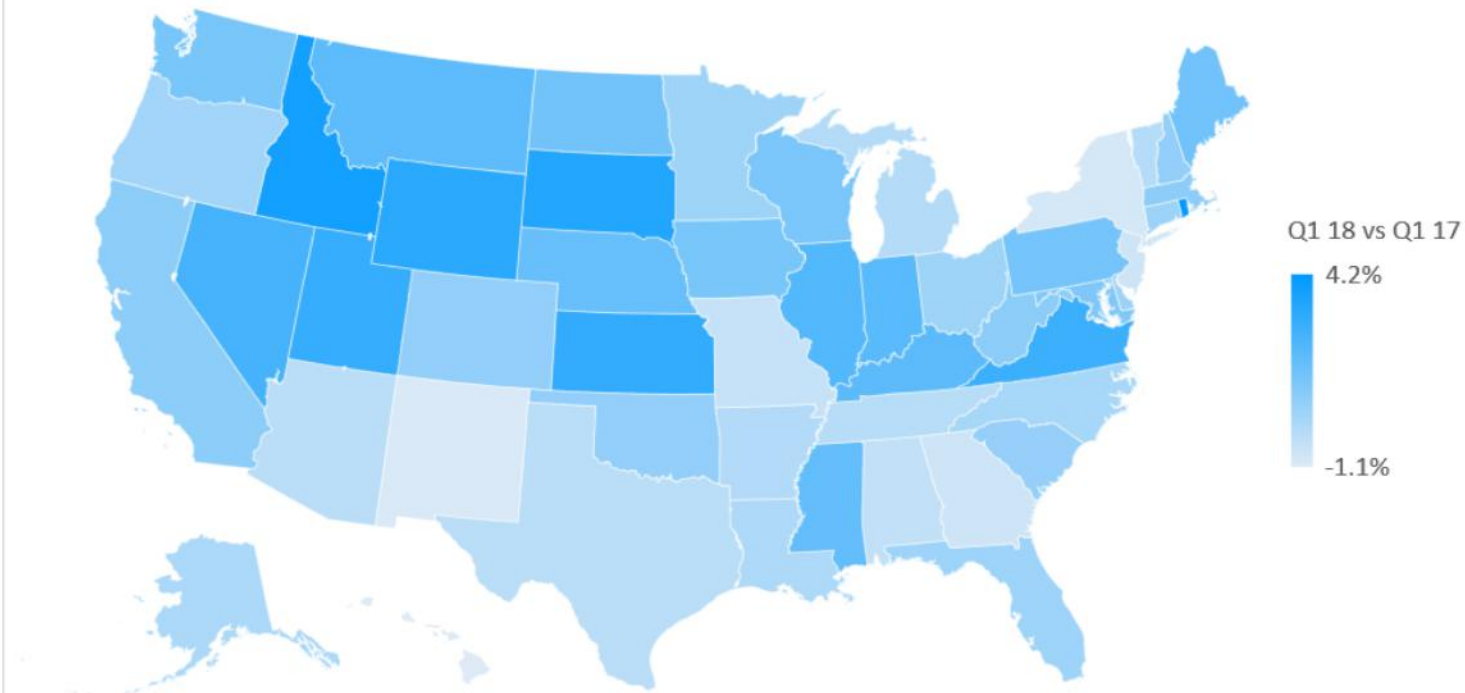
- 16 States show utilization rates in excess of 50%

UT – 58.6%	FL – 57.2%	ID – 52.5%	KS – 51.3%
AZ – 58.0%	IA – 55.6%	MI – 52.0%	OR – 51.2%
RI – 57.9%	OH – 54.4%	CO – 51.9%	MN – 50.4%
DE – 57.5%	WI – 53.6%	TX – 51.5%	GA – 50.2%

States with Hospice Utilization Growth



Hospice Utilization Growth



Source: Excel Health, Medicare FFS Hospice patients through Q1 2018.
www.excelhealthgroup.com

- 5 States with growth in utilization of 3% or more – RI, ID, SD, WY and KS
- 34 States with less than 3% utilization growth
- 12 with negative growth

Hospice Length of Stay



Total US Hospice Average Length of Stay Weighted Average of Discharged Patients



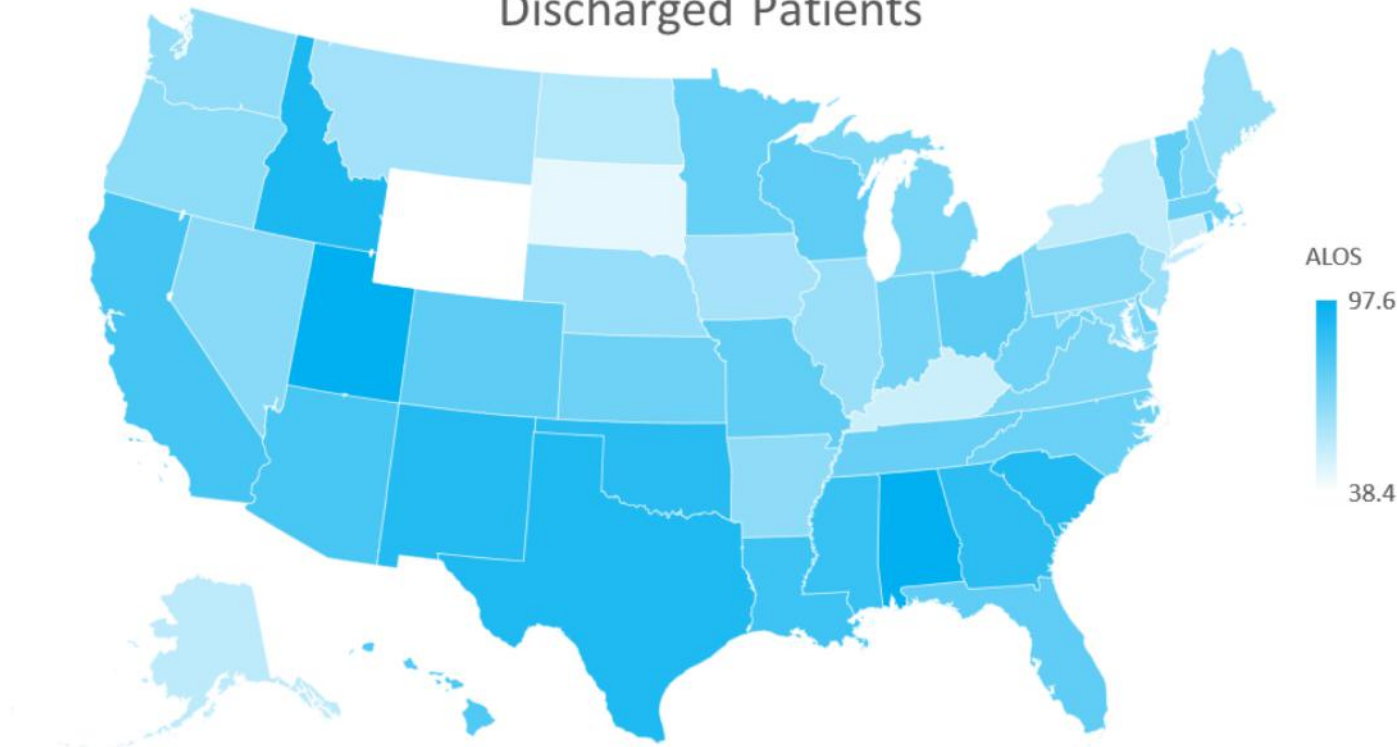
Source: Excel Health, Medicare FFS Hospice patients through Q1 2018. Rolling 2 year, weighted ALOS, for patients discharged from hospices with greater than 10 admits/discharges. Stays longer than 3 years truncated to 3 years.
www.excelhealthgroup.com

- Holding steady at about 75 days
- Stays are gradually becoming longer due to changing terminal illnesses with longer final trajectories

Length of Stay – Discharged Patients



Hospice Average Length Of Stay Discharged Patients



Source: Excel Health, Medicare FFS Hospice patients through Q1 2018. Rolling 2 year, weighted ALOS, for patients discharged from hospices with greater than 10 admits/discharges. Stays longer than 3 years truncated to 3 years. www.excelhealthgroup.com

- 5 States – UT, AL, ID, TX and SC – have LOS of 90 days or more
- 4 others – NM, OK, GA and MS exceed the average by 10 days
- 31 have lower than average LOS
- Lowest are AK, NY, CT, KY, SD and WY with 53 days or less

Thank You!



- To get your own copy of the Excel Health Quarterly Industry Trend Report for Q1 2018, click on the following link:

<https://www.excelhealthgroup.com/resources/#QTR>

More Questions? Please contact us at:

Sharon Harder | sharder@excelhealthgroup.com

Matt Garcia | mgarcia@excelhealthgroup.com