

# Quality, Compliance, and Efficiency: Amedisys Measures of Performance

*Prepared by*

OCS HomeCare

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## **INTRODUCTION**

Leading homecare organizations, such as Amedisys, know that understanding clinical and key business metrics in the context of patient acuity is vitally important to continually providing a high level of care to patients, increasing clinical outcomes over time, developing new clinical programs, and improving care management infrastructure.

To help monitor performance and work towards these high quality standards, Amedisys routinely evaluates many aspects of the care and services they provide. Primary areas of focus are quality, compliance, and efficiency. Along with evaluating internal systems, Amedisys routinely compares their performance measures to external benchmarks to ensure best-in-class performance.

This White Paper highlights the measures that Amedisys routinely uses to evaluate the aforementioned focus areas. Individually and in combination, these indicators demonstrate that Amedisys delivers a high quality of care, complies with regulatory standards, and operates efficiently, especially as compared to peers.

## **QUALITY OF CARE MEASURES**

There are many approaches to measuring quality of care in the home health industry. The basis for most quality measurements is the Outcome and Assessment Information Set (OASIS) – a standardized data set collected by all Medicare-certified home health agencies at pre-defined points during a patient's case of care. The wide-spread, long-term use and standardization of the OASIS allows for this data to be used in many ways to trend and compare quality among home health agencies.

One of the most common approaches to measuring quality is by comparing rates among 12 unique measures that are supported by OASIS data and published for public review by CMS on the Home Health Compare web site. This approach presents some challenges in understanding overall quality of care, both because not all aspects of care are considered in these 12 measures and because each measure taken separately reflects competence in only one facet of care, without representing overall quality.

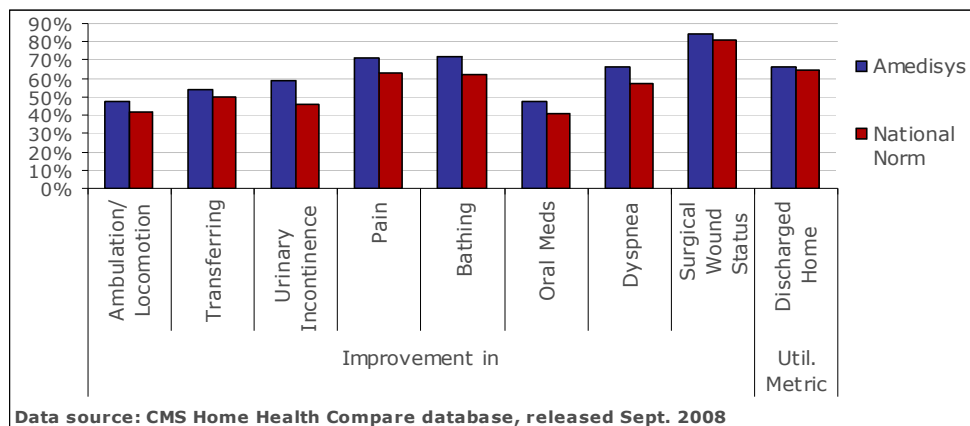
There are two other approaches to measuring home health performance that do reflect overall quality of care. A pair of HomeCare Elite indices based on the data published on Home Health Compare – one that represents current quality and one that represents improvement in quality over the past year – have been in place for the last three years as part of the methodology that identifies the HomeCare Elite, an annual listing of agencies with the highest combined performance in quality of care, quality improvement, and financial performance. Another measure of overall quality is the Standardized Outcome Index (SOI), a proprietary summary score developed by Outcome Concept Systems (OCS) that has been in use in the industry for almost a decade and was adopted in a modified form to serve as the standard for evaluation of overall quality of care by MedPAC and others.

## QUALITY, COMPLIANCE, AND EFFICIENCY: AMEDISYS MEASURES OF PERFORMANCE

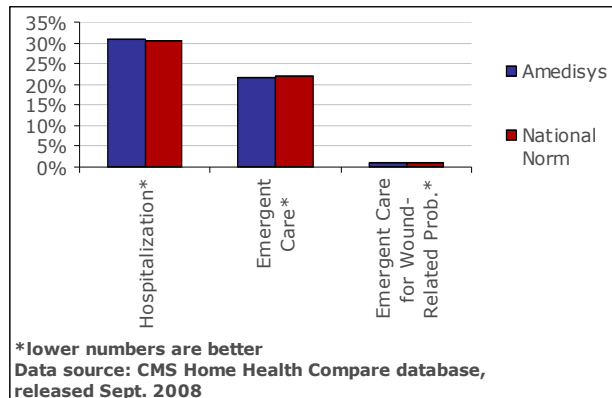
Across all 3 of the approaches listed above, Amedisys compares favorably to national standards.

- Amedisys performs at a level equal to or better than the national norm in 11 out of the 12 measures publicly available on Home Health Compare (see charts 1a and 1b).
- Based on the indices developed for the HomeCare Elite, Amedisys has a higher Quality Index Score and a higher Quality Improvement Index Score than national standards (see chart 2).
- Amedisys has a higher average SOI (1.85 compared to 1.65) (see chart 3).

**Charts 1a:** 2008 Home Health Compare improvement and discharged home rates, measures where higher performance is better.

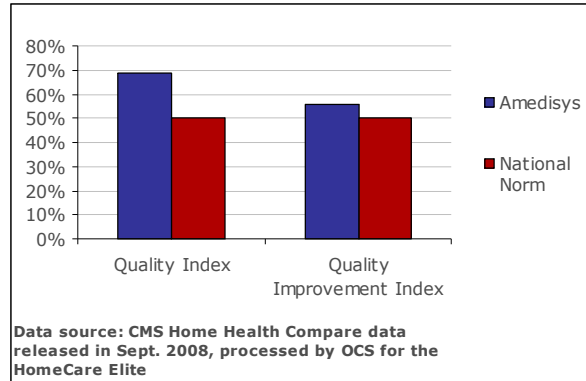


**Charts 1b:** 2008 Home Health Compare hospitalization and emergent care rates, measures where lower performance is better.

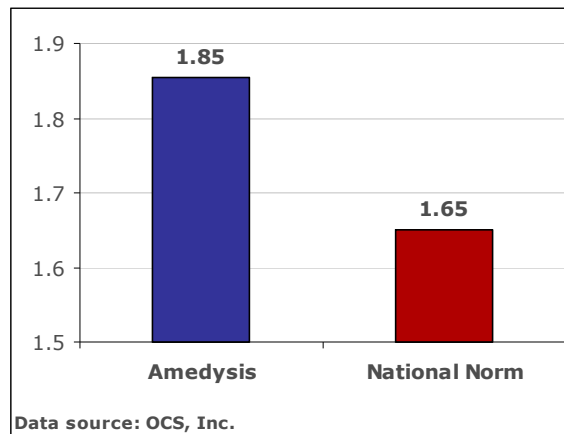


## QUALITY, COMPLIANCE, AND EFFICIENCY: AMEDISYS MEASURES OF PERFORMANCE

**Chart 2:** 2008 HomeCare Elite Quality and Quality Improvement Indices Comparisons.



**Chart 3:** Average 2008 SOI rates for Amedisys and industry norms, higher SOI indicates higher quality of care.



## COMPLIANCE MEASURES

In the context of the home health reimbursement system, regulatory bodies and other industry stakeholders have identified agency practices that may be indicative of potentially fraudulent or abusive activities. Amedisys carefully audits internal performance to ensure compliance and, where information is available, also compares their internal performance to industry-wide norms.

The current prospective payment system (PPS) in home health provides increased reimbursement for certain coded conditions and service needs. To ensure that coding practices focus on patient needs versus reimbursement parameters, some industry-wide red flags for potential compliance issues have been identified as:

1. **Rate of outlier episodes**—If an agency has more outlier episodes than the industry norm, there may be reason to suspect that patient needs are not being assessed

## QUALITY, COMPLIANCE, AND EFFICIENCY: AMEDISYS MEASURES OF PERFORMANCE

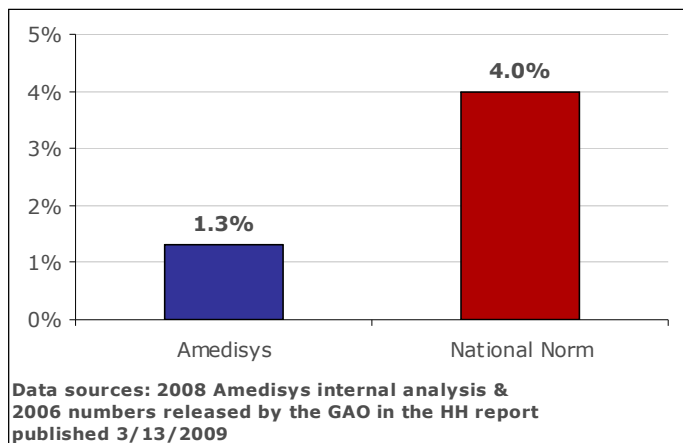
appropriately or that services are being provided at an unnecessarily high level, resulting in increased payments to the agency.

2. **Therapy thresholds**—If an organization tends to have a higher percentage of patients receiving specific numbers of therapy visits that correspond with increases in reimbursement, it may be cause to question if the agency’s approach to providing therapy is based more on reimbursement levels than on individual patient need.
3. **Clinical severity levels**—A recent GAO report highlighted compliance issues related to agencies that had a higher than expected percentage of patients coded at the highest clinical level, which may potentially indicate over-assessment of a patients’ clinical conditions, also resulting in higher payments.

In all three of these areas, analysis of Amedisys data supports the assessment that decisions made by Amedisys clinicians and managers about coding and providing services are based on patient status and need, and not on reimbursement levels.

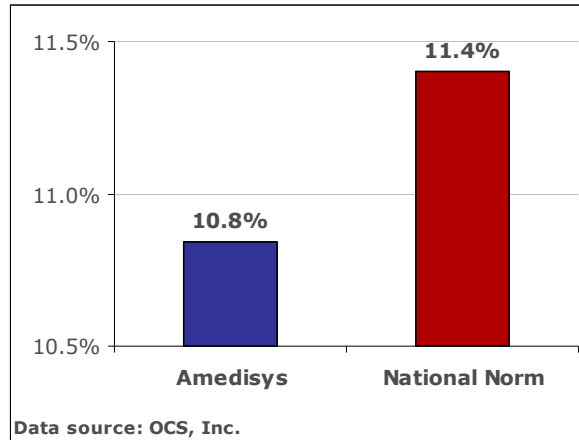
- Amedisys, as a company, has a lower rate of outlier episodes (1.3%) than reported by the GAO nationally (4%) (see chart 4) and in almost every state in which the company operates.
- Amedisys has a lower percentage of standard episodes (non-LUPA, non-outlier) that fall at one of the major therapy thresholds (6, 10, 14, and 20 visits) than the trend seen nationally (10.8% compared to 11.4%, respectively) (see chart 5). These visit numbers are the points at which the PPS reimbursement increases dramatically for therapy services.
- Amedisys has a lower percentage of standard episodes falling into the highest level of clinical severity than the national comparison group (see chart 4).

**Chart 4:** Comparison of outlier rates, as a percentage of all PPS episodes

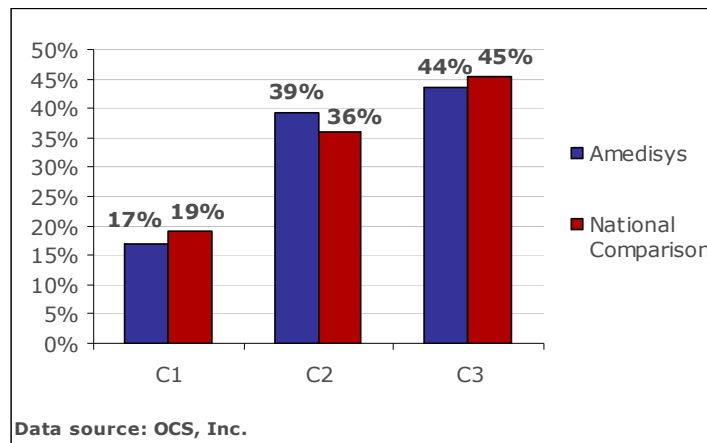


## QUALITY, COMPLIANCE, AND EFFICIENCY: AMEDISYS MEASURES OF PERFORMANCE

**Chart 5:** Percent of standard (non-LUPA, non-outlier) episodes ended in 2008 receiving the number of therapy visits matching the major therapy payment threshold (6, 10, 14, and 20 visits).



**Chart 6:** Distribution of standard episodes ended in 2008 by clinical severity level assessment.



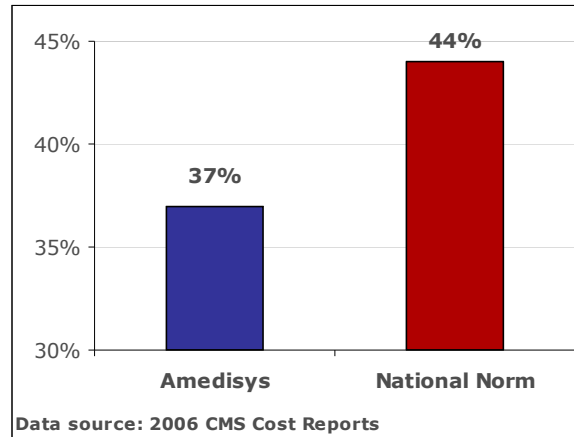
## EFFICIENCY MEASURES

One of the benefits of organizational scale is the ability to deliver high quality care more efficiently and cost effectively than smaller providers. A way in which to gain insight into this dimension of organizational performance is to evaluate the publicly available Medicare cost reports and compare the relationship of overhead expenditures to net patient revenue.

According to this measure, Amedisys does provide services more efficiently, by spending a lower percentage of net patient revenue on overhead expenditures than other agencies nationally (see chart 7)

## QUALITY, COMPLIANCE, AND EFFICIENCY: AMEDISYS MEASURES OF PERFORMANCE

**Chart 7:** Comparison of administrative costs as a percent of net patient revenue.



### SUMMARY

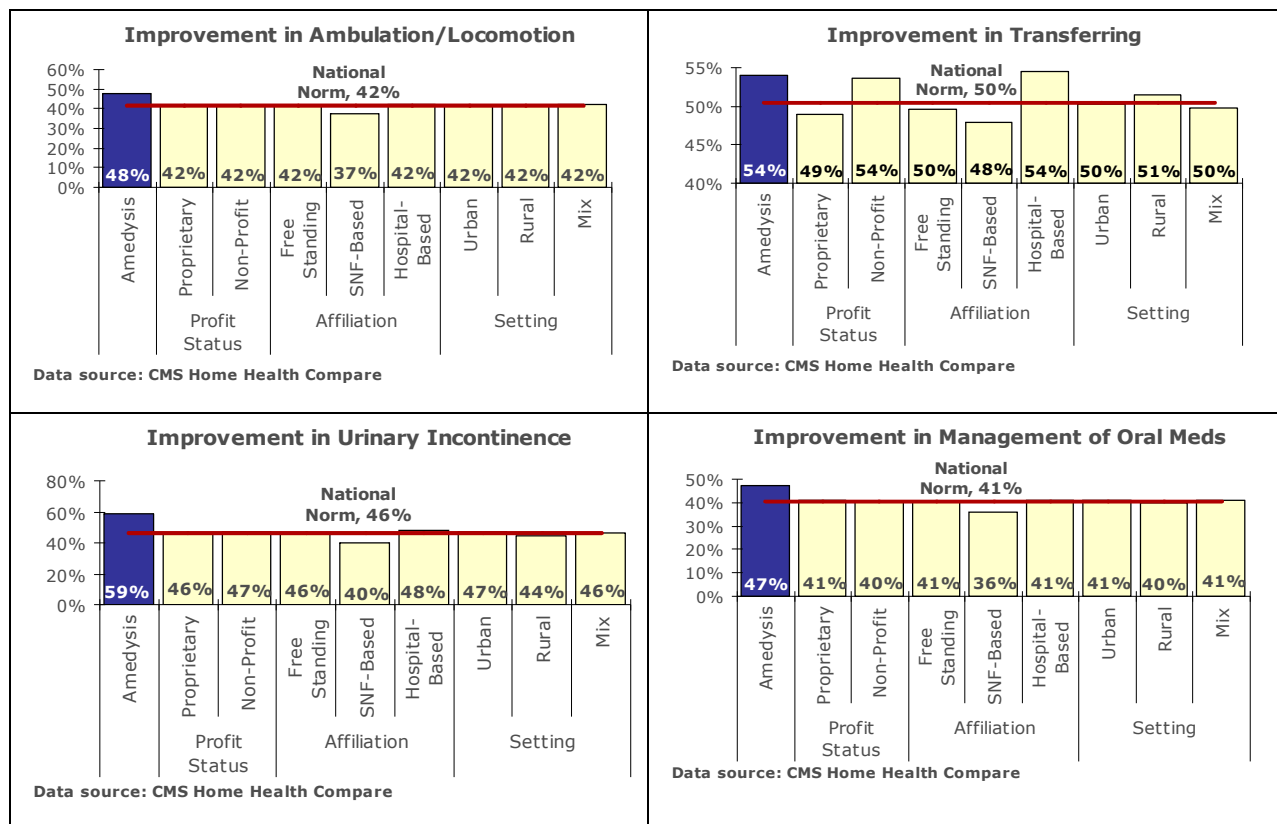
This data clearly quantifies and demonstrates the strength of Amedisys in areas of quality, compliance, and efficiency. Regardless of the perspective evaluated – including the comparisons to the national norms included in the body of this paper and the additional comparisons to other industry norms included in the addendum – the analyses show that Amedisys efficiently delivers a higher quality care to its patients, within regulatory and compliance standards, than its peers in the industry. With the national demographic and patient-preference trends keeping more and sicker patients in the home health care system each year, the healthcare industry needs organizations that can be counted upon to provide care that is cost-effective and high-quality from all angles.

## OVERVIEW

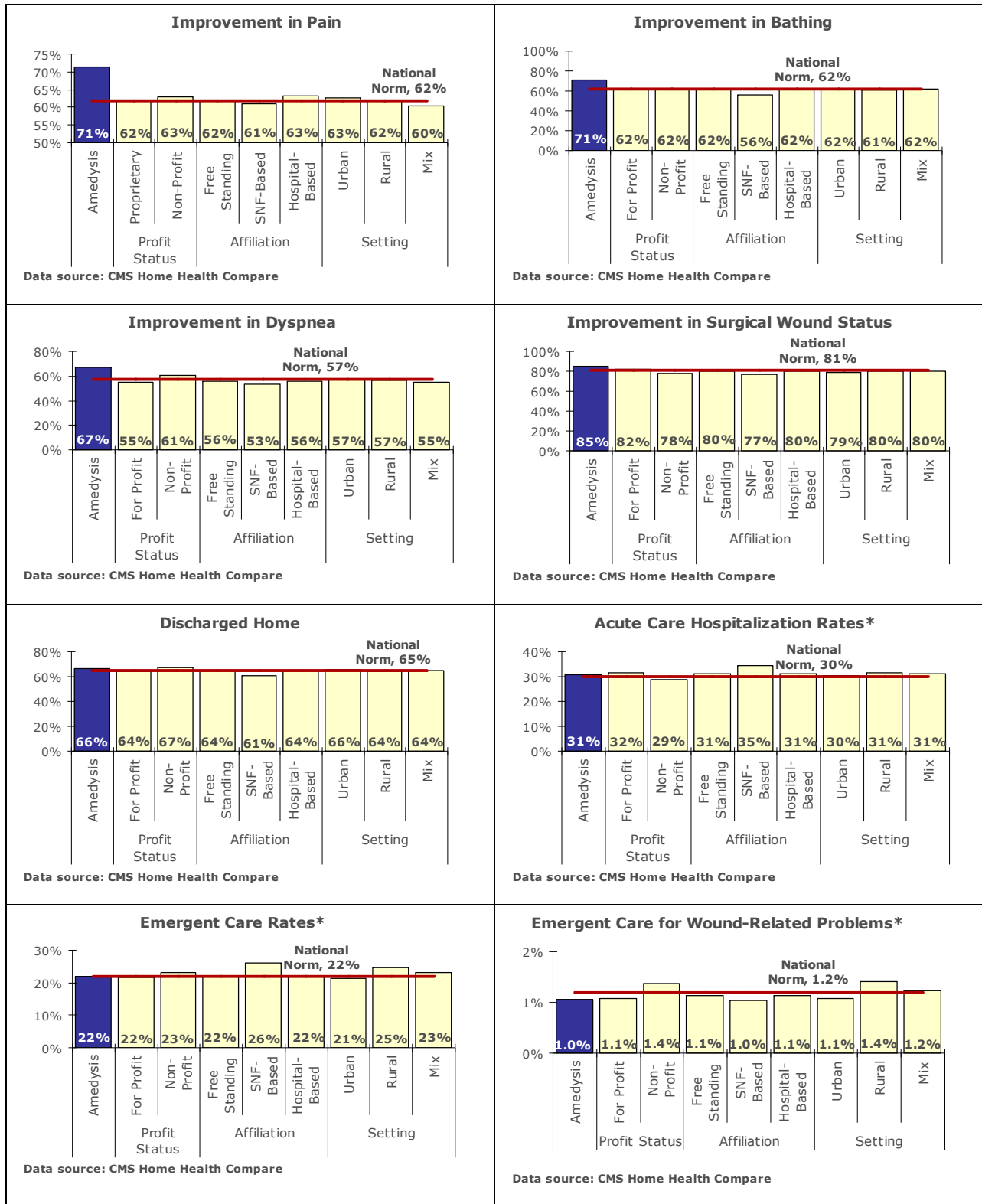
The body of this white paper included comparisons between Amedisys and national normative data that demonstrated the higher overall performance of Amedisys in areas of quality, compliance, and efficiency than the performance of its peers. The information contained in this addendum supplements those findings with additional comparisons against subsets of the industry based on agency characteristics: profit status (proprietary vs. not-for-profit), affiliation (free standing vs. SNF-based vs. hospital-based), and setting (urban vs. rural vs. mixed).

## QUALITY

Amedisys performs at a level equal to or better than the national norm in 11 out of the 12 measures publicly available on Home Health Compare. The following charts compare Amedisys's performance to that of agencies in various subsets of the home health industry.



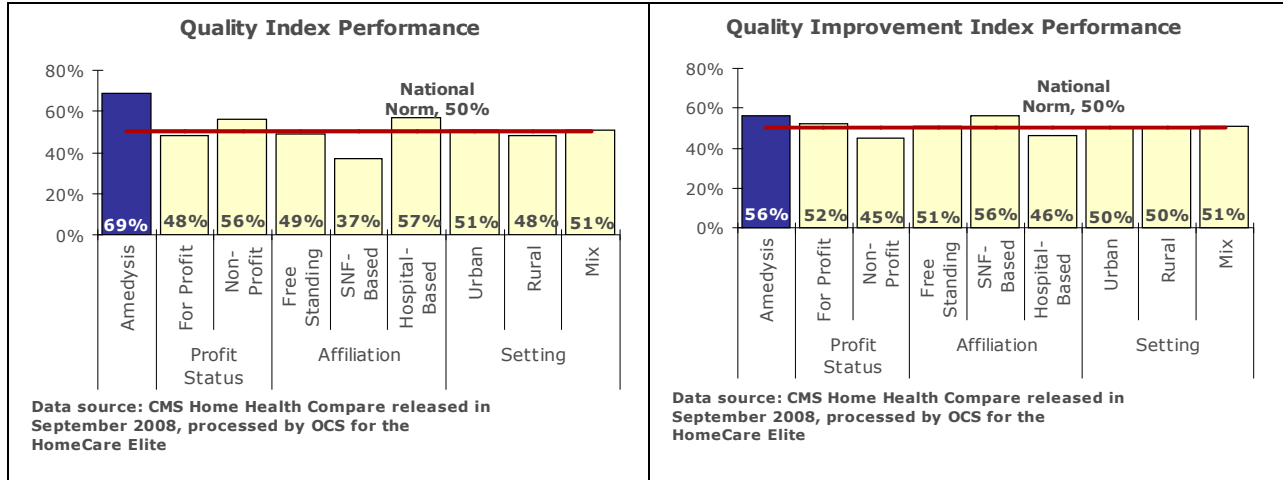
# QUALITY, COMPLIANCE, AND EFFICIENCY: ADDENDUM



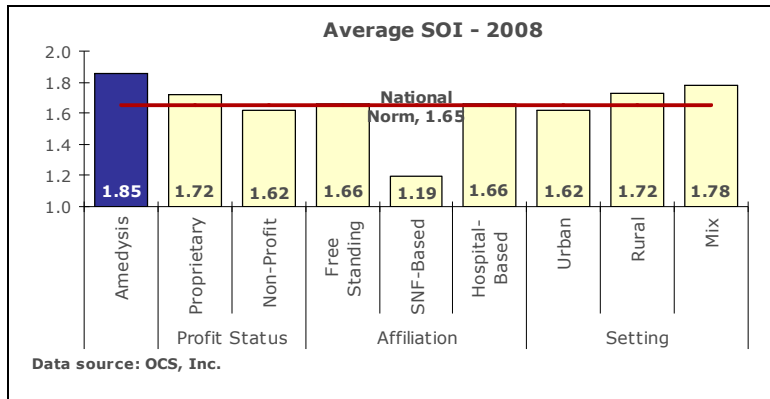
\* Lower scores are better for hospitalization and emergent care measures

## QUALITY, COMPLIANCE, AND EFFICIENCY: ADDENDUM

Based on the indices developed for the HomeCare Elite, Amedisys has a higher Quality Index Score and a higher Quality Improvement Index Score than national standards, looking at the national as a whole and looking at subsets of agencies.

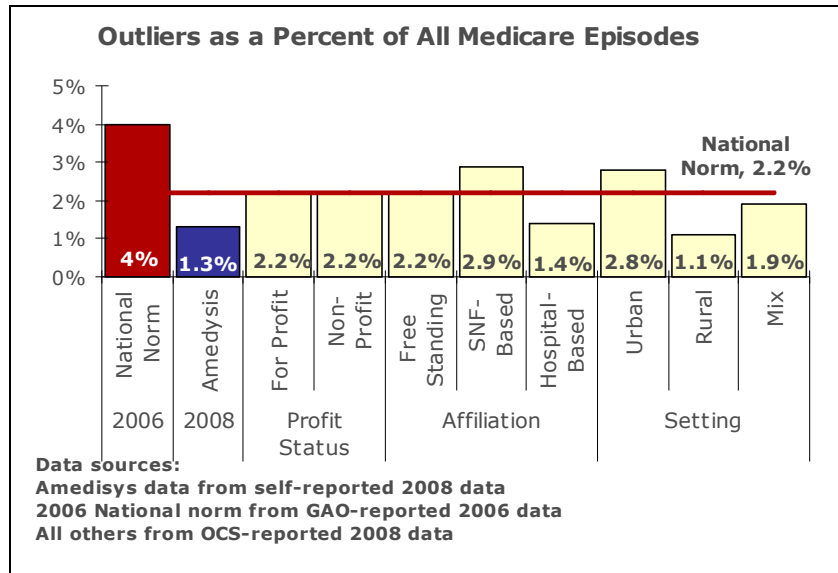


Amedisys has a higher average SOI than the nation as a whole and than any other key subsets of the industry.

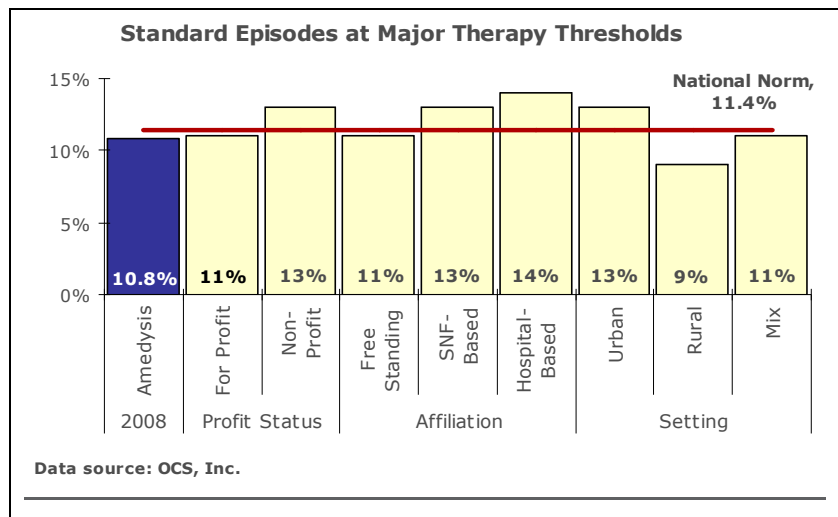


COMPLIANCE

Amedisys, as a company, had a lower rate of outlier episodes (1.3%) in 2008 than reported by the GAO for 2006 both nationally (4%) and in almost every state in which the company operates. Amedisys also has a lower rate of outliers when compared to national rolled-up and broken out numbers for 2008 statistics reported by OCS.

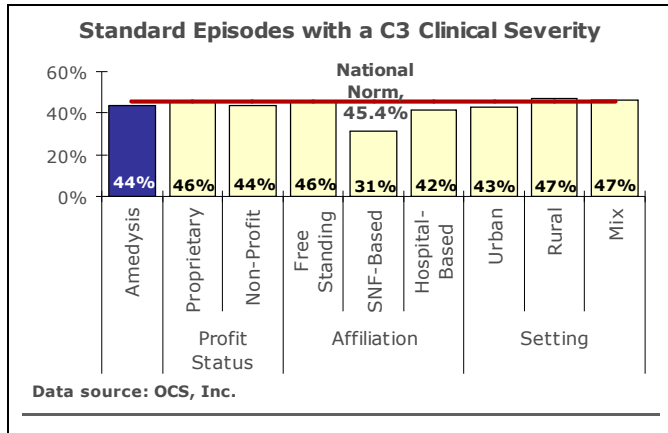


Amedisys has a lower percentage of standard episodes (non-LUPA, non-outlier) hitting the major therapy thresholds (6, 10, 14, and 20 visits), the points at which the PPS reimbursement increases dramatically, than the trend seen nationally.



## QUALITY, COMPLIANCE, AND EFFICIENCY: ADDENDUM

Amedisys has a lower percentage of standard episodes falling into the highest level of clinical severity than episodes nationally.





## **About OCS HomeCare**

OCS is an independent healthcare informatics company, providing business intelligence solutions, data research, and access to large, proprietary data warehouses to multiple healthcare verticals.

OCS HomeCare empowers home health and hospice organizations with results-driven data intelligence and the largest and most accurate databases for those industries. Homecare providers, payers, associations, government agencies, vendors, and consultants all turn to OCS to elevate decision-making, raise the bar on results, and bring home positive outcomes.

## **For more information about OCS HomeCare**

Address: 1818 E Mercer Street  
Seattle, WA 98112

Email: [info@ocsys.com](mailto:info@ocsys.com)

Website: [www.ocsys.com](http://www.ocsys.com)

Tel: 888.325.3396

Fax: 206.720.6018