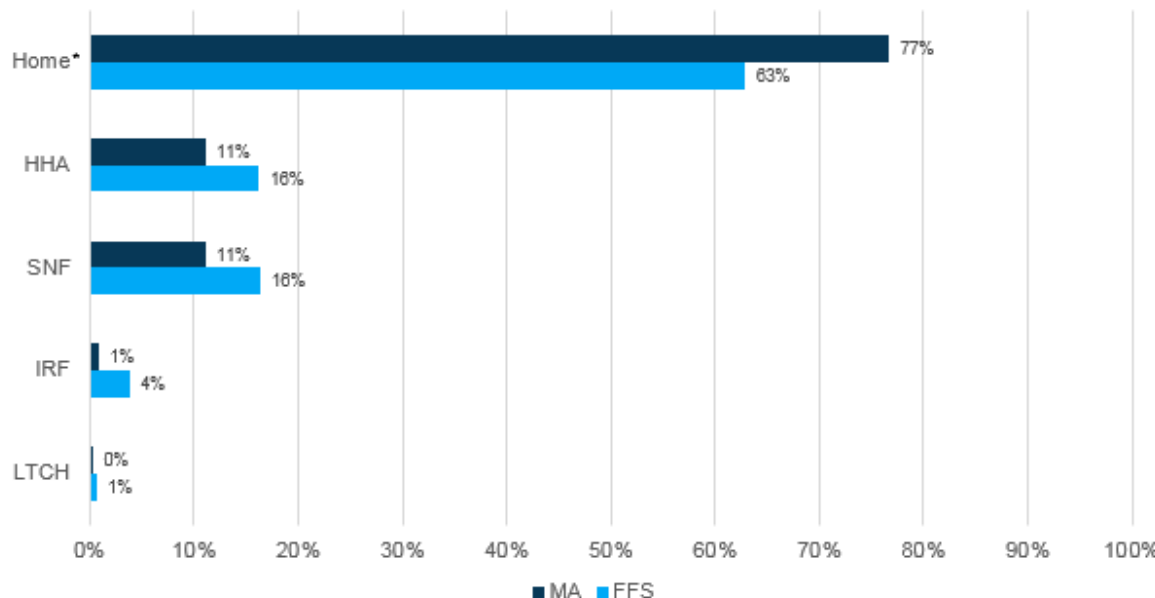


MEDICARE ADVANTAGE PATIENTS LESS LIKELY TO USE POST-ACUTE CARE

New analysis from Avalere finds that Medicare Advantage (MA) patients use fewer post-acute care services after being discharged from the hospital compared to traditional Medicare fee-for-service (FFS) patients. Specifically, 77 percent of MA patients are sent directly home (without home health) following a hospital stay compared to 63 percent of FFS patients (Figure 1). While there are many factors that could influence the variation in post-acute care use, Avalere’s findings point to potential differences in how MA plans manage their beneficiaries’ care.

After a hospitalization, many Medicare patients receive rehabilitation services, known as post-acute care, as part of their recovery after a hospital stay. Medicare covers services provided in four types of post-acute care settings: long-term acute-care (LTCHs), inpatient rehabilitation facilities (IRFs), skilled nursing facilities (SNFs) and home health agencies (HHAs). These providers differ in the intensity of rehabilitation services they deliver. More intensive post-acute care is delivered in institutions such as a SNF, while lower-intensity rehabilitation may be provided in the home by home health providers. When appropriate, being discharged to the home can be less expensive and more desirable for patients.

Figure 1: Discharge Destination Following an Inpatient Stay by Payer Type



*Home without home health.

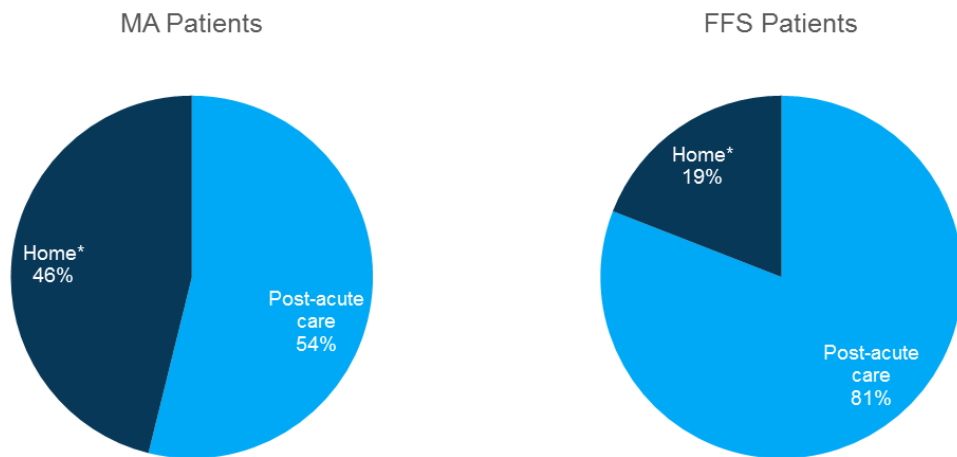
Source: Avalere analysis utilizing Medicare FFS and MORE² Medicare Advantage claims data



“Our research demonstrates that MA plans are using post-acute care differently,” said Fred Bentley, vice president at Avalere. “MA plans are incented to actively manage patients, and they may keep patients in hospital settings longer to facilitate less intensive care for a patient following a hospitalization when appropriate.”

Avalere also analyzed discharge destination following an inpatient stay for the 15 most common diagnostic related groups (DRG) nationally. For each of the 15 DRGs, more MA patients were discharged directly to the home (without home health) than FFS patients. Specifically, following a knee or hip replacement, 46 percent of MA patients were discharged home (without home health) versus 19 percent of FFS patients.

Figure 2. Discharge Destination Following Major Joint Replacement



*Home without home health.

Source: Avalere analysis utilizing Medicare FFS and MORE² Registry[®] Medicare Advantage claims data for DRG 470: Major Joint Replacement or Reattachment of Lower Extremity without Major Complications and Comorbid Conditions.

In 2016, almost 18 million beneficiaries (31 percent) received their Medicare benefits through MA plans. Avalere experts predict that MA will grow by more than 20 percent by 2020, nearly double the rate at which the overall Medicare program is projected to expand.

“MA plans may be making different decisions during the critical time after a hospitalization,” said Erica Breese, senior manager at Avalere. “As MA expands in the coming years, utilization rates for post-acute care among Medicare beneficiaries could change.”



Methodology

Avalere analyzed the Medicare Part A Standard Analytic Files and Inovalon's Medical Outcomes Research for Effectiveness and Economics Registry (MORE² Registry[®]). This analysis includes all admissions to long-term acute care hospitals (LTCHs), inpatient rehabilitation facilities (IRF), skilled nursing facilities (SNFs), and home health agencies (HHA) within seven days of discharge from an inpatient hospital. Results have not been adjusted for differences between Medicare FFS and MA patients.

###

Avalere Health, an Inovalon Company, is a strategic advisory company whose core purpose is to create innovative solutions to complex healthcare problems. Based in Washington, D.C., the firm delivers actionable insights, product solutions and custom analytics for leaders in healthcare business and policy. Avalere's experts span 230 staff drawn from Fortune 500 healthcare companies, the federal government (e.g., CMS, OMB, CBO and the Congress), top consultancies and nonprofits. The firm offers deep substance on the full range of healthcare business issues affecting the Fortune 500 healthcare companies. Avalere's focus on strategy is supported by a rigorous, in-house analytic research group that uses public and private data to generate quantitative insight. Through events, publications and interactive programs, Avalere insights are accessible to a broad range of customers. For more information, visit avalere.com, or follow us on Twitter @avalerehealth.

