

# The CMS could make some home health reimbursement policies permanent

Article

**The news:** Tech-enabled hospital-at-home company **Medically Home** secured **\$110 million** from investors including **Baxter International, Cardinal Health, Mayo Clinic, and Kaiser**

**Permanente**, according to a Medically Home press release.

**Here's how it works:** The startup partners with hospitals to let clinicians manage their patients' health remotely with the help of medical workers in patients' homes:

- For example, Medically Home provides the platform and technology to provide at-home services including **diagnostic lab testing, X-rays, and infusion services** to treat higher-acuity conditions like heart failure and cancer.

**Why are health systems pouring funds into Medically Home?** Last year, health systems like Kaiser Permanente and Mayo Clinic became participants in a **CMS** program that lets hospitals receive higher reimbursement for providing at-home services.

For context, in November 2020, the CMS launched its pilot **Acute Hospital Care at Home** program, enabling hospitals to receive Medicare reimbursement for at-home services covering more than 60 conditions.

- In April 2021, the CMS approved health systems Kaiser Permanente, Mayo Clinic, and **Northwell Health's** participation in the program.

Reimbursement for various at-home services has historically been difficult to obtain, which makes this program an attractive option for major health systems like Mayo Clinic.

- Now that reimbursement is secured, **providing at-home services to patients could help health systems drastically lower their hospital readmissions—a \$17 billion burden** on the US healthcare system annually.

**Why this could succeed:** Health systems' interest in home health services is good news for higher-acuity patients, since many prefer getting treatment in their own homes rather than within hospital walls.

- About **73% of US adults are confident in the quality of care** they would receive at home, per a December 2021 survey by the Moving Health Home (MHH) coalition.
- **Most (70%) patients believe getting their care at home would alleviate anxiety** and improve communication with their healthcare providers, per MHH.

**What's next?** Health systems and Big Tech companies are joining forces to lobby the CMS for better home health reimbursement policies.

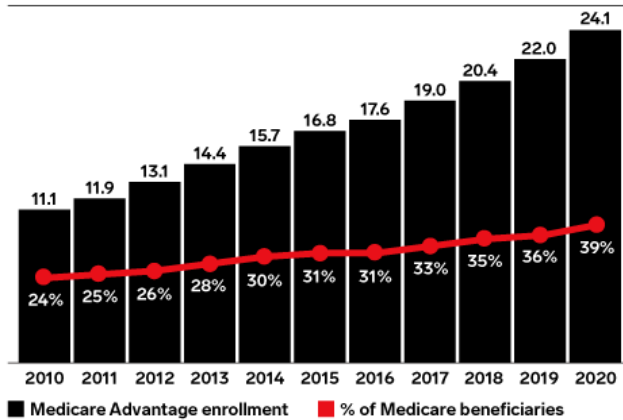
For example, last year, health systems **Intermountain Healthcare**, **Ascension**, and others **teamed up** with **Amazon Care** and other health tech companies to lobby Congress and advocate that providers be reimbursed for home health visits at the same rate as primary care office visits, in addition to promoting coverage for high-acuity home care.

It wouldn't be far off to imagine the CMS making some of its home health policies permanent, especially if its temporary program is cutting costs and boosting health outcomes.

- In fact, the CMS recently **made** reimbursement permanent for some mental health audio-only telehealth visits (a previously temporary policy enacted during the pandemic).

### US Medicare Advantage Enrollment, 2010-2020

millions and % of Medicare beneficiaries



Source: Kaiser Family Foundation (KFF) analysis of Centers for Medicare & Medicaid Services (CMS) "Medicare Advantage Landscape and Enrollment Files 2008-2020," Jan 13, 2021

267841

InsiderIntelligence.com