

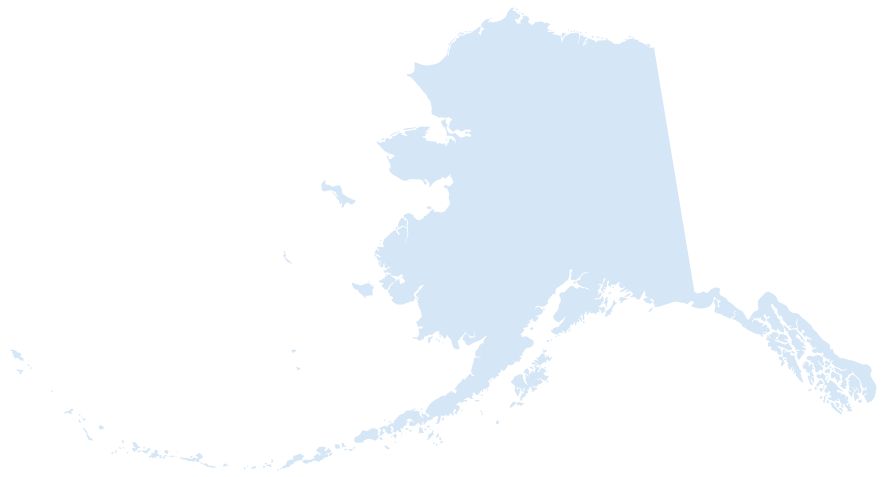
HOME HEALTH: ALASKA

Home Health's Role in Post-Acute Care

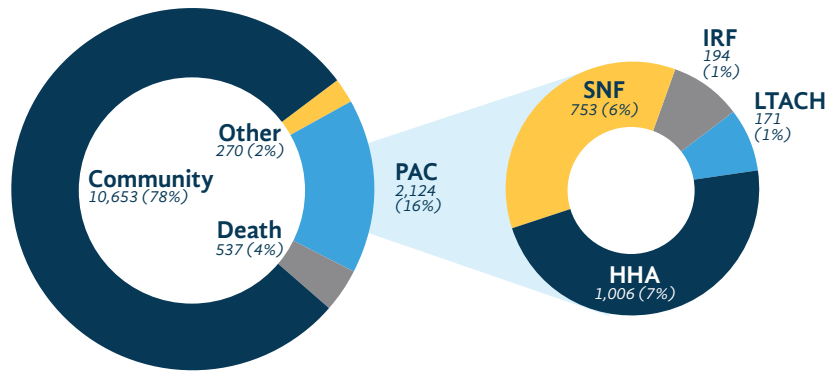
Throughout Alaska, home health agencies serve as an integral part of the Medicare post-acute care landscape, providing health care at home after discharge from acute care hospitals.

The Medicare home health benefit covers skilled nursing and therapy services provided to patients in their own residence. Under the benefit, the patient receives care subject to a physician-established plan of care, must meet the definition of "homebound," and be in need of skilled services on an intermittent basis. Patients often receive home health care following an acute care hospital stay and may require rehabilitation therapy services. Services include care from highly skilled nurses, physical therapists, occupational therapists, speech-language pathologists, and medical social workers. Home health aides provide personal care services for patients if needed to support skilled services.

As the Medicare program begins to focus on alternative payment models such as bundled payments in the comprehensive care for joint replacement (CJR) model and accountable care organizations (ACOs), home health offers a strong value proposition as we seek to provide care in the community and at home where it is clinically appropriate. Home health agencies are well positioned to support cost effective care in the community and readmissions reduction.

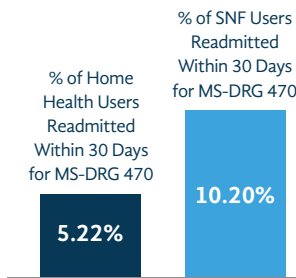


Initial Patient Destinations Following an Inpatient Hospital Stay¹



Home Health vs. Skilled Nursing Facilities²

Percent readmitted for MS-DRG 470 (Major joint replacement or reattachment of lower extremity w/o MCC)



Top MS-DRGs for Home Health Episodes³

| MS-DRG | % of Total Part A Claims |
|--|--------------------------|
| 1 Major joint replacement or reattachment of lower extremity w/o mcc | 20.44% |
| 2 Intracranial hemorrhage or cerebral infarction w cc | 3.07% |
| 3 Hip & femur procedures except major joint w cc | 2.93% |
| 4 Septicemia or severe sepsis w/o mv 96+ hours w mcc | 2.72% |
| 5 Kidney & urinary tract infections w/o mcc | 2.14% |

1. Avalere Health LLC; Discharges Post-Inpatient Stay, By State. September 2015. (Citing and analyzing from Medicare Standard Analytics Files, 2013).

2. Avalere Health LLC; Medicare Readmission Rates, by State. January 2016. (Citing and analyzing from Medicare Standard Analytics Files, 2014).

3. Top MS-DRG and ICD-9 Codes for Home Health Episodes, By State. November 2014. (Citing and analyzing from Medicare Standard Analytics Files, 2012).