



# SHP for Agencies

## OASIS-D Risk Adjustment Impact Analysis

v2.0

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## Overview

For years, SHP has been the only Home Health analytics platform with the ability to report real-time risk adjusted outcome data. This functionality is used extensively by our nearly 5,000 home health clients to support quality improvement programs and facilitate valid comparisons to publicly reported data produced by CMS.

For the first time since 2011, CMS has introduced a completely new set of risk models for all home health outcomes. While this is ultimately a positive move since it allows CMS to adjust scores based on more contemporary data, it also creates some significant complications when trying to “bridge the gap” between the previous and current risk models.

The sections below delineate our approach to maintaining reporting continuity during this transition, as well as how it may impact your risk-adjusted outcome scores in SHP.

## The Issue

To match how CMS calculates risk-adjusted scores, a 12-month *National Predicted* rate (i.e. the predicted improvement rate of all providers in the benchmark) must be calculated for each outcome on a quarterly basis. This allows the final outcome score to be adjusted up or down based on whether or not the *Agency Predicted* rate (i.e. the predicted improvement rate of the provider for whom the risk-adjusted score is being calculated) is lower or higher than the *National Predicted* rate. The appropriate 12-month *National Predicted* rate is selected by our system for each outcome based on the date range for which the report is run.

Since *National Predicted* rates for each outcome are not published by CMS, they must be calculated each quarter by SHP. This is accomplished by calculating a *National Predicted* rate from the SHP national database, then incorporating the most-recent publicly reported Home Health Compare data from CMS in order to adjust for any differences between the SHP and CMS national benchmarks. This approach is necessary because the SHP national database represents a subset of national providers, which results in the potential for SHP *National Predicted* values that are a few percentage points different than the CMS *National Predicted* values (*National Predicted* values calculated solely from the SHP database are typically higher).

This approach has been very successful over the years and has allowed SHP to accurately report risk-adjusted scores that closely match CMS publicly reported scores. However, an in-depth analysis has indicated that predicted improvement values will increase for most outcomes under the new OASIS-D risk models.

It is important to note that, without access to OASIS-D risk-adjusted data from CMS, it is impossible to know exactly what the final risk-adjusted scores will look like until they are posted by CMS. Due to this gap in data, and in order to avoid multiple changes to your risk-adjusted scores, it was necessary to wait until 2020 before making changes to the way that the *National Predicted* component of the risk adjustment calculation is derived.

## Our Solution

Early in 2020, SHP anticipates that CMS will publish Home Health Compare data that includes risk-adjusted outcomes for episodes that were completed between April 2018 and March 2019. Once this data is available, SHP will implement a proprietary *National Predicted* rate for periods that include data from 2019, and will use the CMS data to calibrate the 12-month SHP-only *National Predicted* rates for each publication period that includes outcomes in 2019. These *National Predicted* rates will replace the existing HHC-derived rates currently used in reporting and will allow SHP to more accurately calculate your risk-adjusted outcomes in real-time.

## The Impact

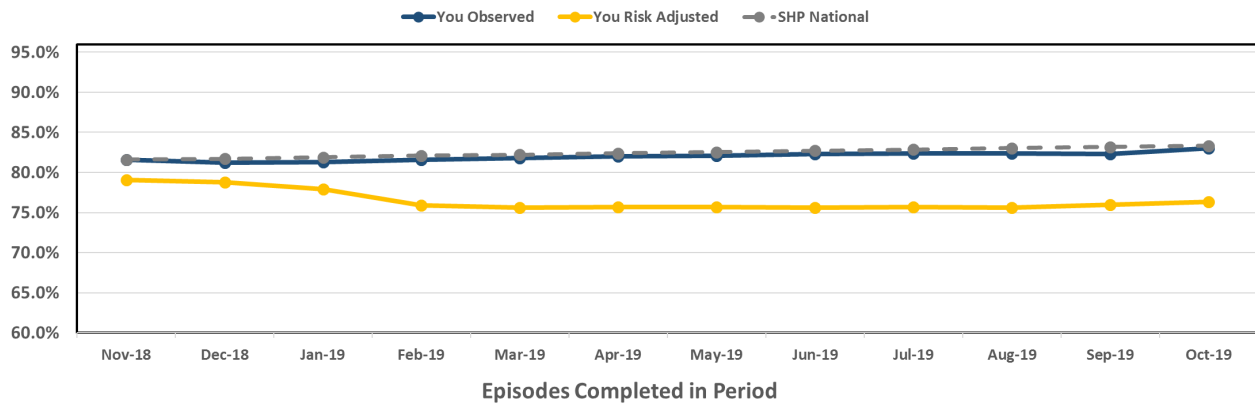
Before OASIS-D data is available from CMS, outcome trends including both OASIS-C2 and OASIS-D data will likely show a decline in risk-adjusted scores starting in early 2019 that flattens out as the year progresses (barring any significant changes in your patient population and/or observed scores).

Once SHP's *National Predicted* rates are updated using the methodology outlined in the previous section, your risk-adjusted outcome scores will likely change for reporting periods that include data from 1/1/2019 onward, including outcome trends that span the two risk adjustment models. It is important to note that your SHP percentile rankings for each outcome should be relatively unaffected by this update since the updated *National Predicted* rates will adjust the scores for every provider by the exact same amount.

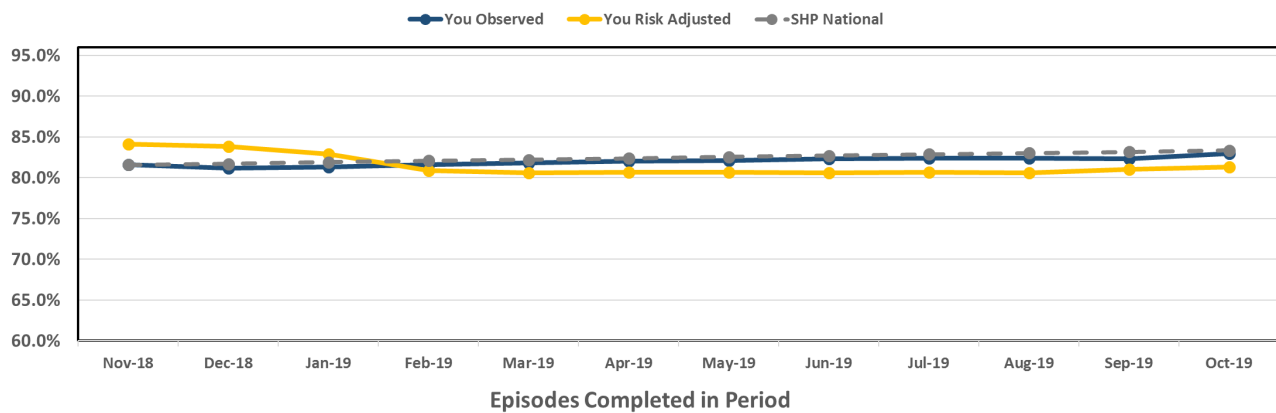
In the long term, SHP may decide to re-implement our previous methodology of creating a Home Health Compare derived *National Predicted* rate, as implemented prior to January, 2019. This decision will depend on how close the SHP calculated scores are to CMS' publicly reported OASIS-D scores.

The following sample trends illustrate how the SHP *Outcome Trends* report could potentially look when run before and after OASIS-D *National Predicted* data is available.

## Outcome Trend with OASIS-C2-Only National Predicted



## Outcome Trend with Mixed OASIS-C2/OASIS-D National Predicted



## Conclusion

Ultimately, there is no way for any vendor to perfectly predict what the final CMS risk-adjusted outcome scores will look like when they are published. However, we feel confident that the methodology we've employed will produce the closest possible match to what CMS eventually posts on Home Health Compare and how your scores rank versus the providers in our national database.

Rest assured that SHP is continually working to ensure that the real-time risk-adjusted outcome data we provide to your organization is as accurate as possible in order to support your ongoing performance improvement efforts.

If you have questions related to this information, please don't hesitate to contact us by email at [support@SHPdata.com](mailto:support@SHPdata.com) or by phone at (805) 963-9446.