



Texas Association for
Home Care & Hospice
Leading ★ Advancing ★ Advocating

Winter Conference

Wednesday, February 18, 2026

10:15am-11:30am

1a. Improve 2026 Fiscal Margins through Improved Clinical Outcomes

Presented by:

Kimberly McCormick, Executive Clinical Director, Home Health
Strategic Management

Thank you to our Partners:



Improved 2026 Fiscal Margins through Improved Clinical Outcomes

TAHCH Winter Conference 2026

hksm

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Home Health Strategic Management

- HH Post-Acute Consulting Firm –Post-Acute Outcomes
- Arnie Cisneros PT – President, SURCH Developer
- Kimberly McCormick RN BSN – Exec Clinical Director
- UR Mgmt Model for HH PDGM & VBP Reforms – SURCH
- PAC PPS Trials w PIONEER ACO – Value-Based Models
- Deliver VBP-Level HH Outcomes in Value Era
- HH Management model replicates Medicare Part A success
- Objective, real-time care production & delivery management

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Home Health's Value Reforms Connect Clinical Outcomes with Improved Reimbursement

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HH Reforms Match Outcomes to Reimbursement

- PDGM is a value-based, capitated payment model replacing PPS
- ACA mandated V2V (Volume-2-Value) care transition – PDGM, VBP
- HH VALUE Identity – ALL spending leads to programming outcomes
- Value reforms align program quality w increased reimbursement
- HH Providers must address Operational changes for Value success

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HH Reforms Match Outcomes to Reimbursement

- HH Operations were refined during the Volume-based PPS era
- Most HH Providers continue with a PPS-based Operational model
- These traditional HH Operations work against Value programming
- They don't support Value-era goals & limit clinical/fiscal success
- HH operations must be rewired for PDGM-VBP-Clinical-Fiscal success

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HH Reforms Match Outcomes to Reimbursement

- Management of HH Value models requires Care Content control
- Part A Providers outside of HH manage these models assertively
- Traditional HH Operations fail to address Value points in PDGM
- Success requires addressing areas of PDGM that differ from PPS
- Capitated PDGM requires focus on areas unaddressed under PPS

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HH Reforms Match Outcomes to Reimbursement

- PDGM Capitated Model – post-program margin is what is *unspent*
- PDGM Value approach – prompts rapid improvements
- Mimics DRG mgmnt in acute care – better care for better margins
- PDGM Value Points to address:
 - SOC OASIS ACCURACY
 - PDGM POC Development – FIL for Rehab
 - In-Episode Mgmt – skill, best practice, program integrity, compliance (MVs), CGVR, Required Documentation
 - DC Management

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Direct Fiscal Opportunities in the HH Model

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Direct Fiscal Opportunities in the HH Model

- Direct fiscal opportunities – easiest to address for success
- Success - defined by VBP requirements from best practices
 - Case - Mix – SOC OASIS Accuracy – Open book test – 72% avg
 - Obtain 98% accuracy SOC OASIS - real-time, OASIS walk, Patient/CGVR
 - Collaboration, Rights/Responsibilities, **NO Scrubbers – post SOC review**
- Functional Impairment Level (FIL) – denotes rehab volume
 - Requires OASIS accuracy for combined rehab visit totals that corresponded to your SOC acuity measure
 - Rehab POC – FIL totals must address patient safety

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Direct Fiscal Opportunities in the HH Model

- PDGM POC – How fast can we achieve goals? Provider POC
 - SN POC projections – usually 2-3 weeks – 0-1 PRN visits
 - Address visit content and SN clinical target goals
 - Rehab POC projections – safety (3xwk) and MED-HI FIL > 30 days
 - Documentation for coverage adjusts final visit totals
- Staffing/Visit totals – should change from PPS era
 - Assure assertive scheduling (night before) w MV elimination
 - Eliminate - 1x week frequency and single-visit DC weekly freq
- Coding – near-negligible effect (5%)

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Indirect Fiscal Opportunities in the HH Model

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Indirect Fiscal Opportunities in the HH Model

- Most Indirect Costs relate to VBP requirements for bonus
 - Intake – address delays or un-necessary costs for 24-hr SOC
 - Scheduling – prepared for 24-soc staffing, productivity, MVs
 - In-Episode Management – decrease care volumes as patient improves in response to treatment (EX – 3xwk – 2xwk safety)
 - DC for Outcomes – goals met? Declined? Stabilized?
 - Address non-compliance for lack of
 - Qualification for Home Health
 - Lack of Outcome Goal potential

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VBP Outcomes

VBP Category	VBP 90th Percentile	Client 1		Client 2		Client 3	
		Baseline	HHSM	Baseline	HHSM	Baseline	HHSM
Discharge Function Score (VBP)	83.18	80.81	96	79.4	94.2	76.8	88.7
Improvement in Dyspnea (VBP)	99.42	88.7	99.3	75.87	100	88.05	98.51
Improvement in Mgmt. of Oral Meds (VBP)	98.75	77.9	98.4	69.89	97.5	79.5	98.89
Potentially Preventable Hospitalization (VBP)	6.3	14.12	4.3	17.6	6.5	19.4	7.1
Discharge to Community (VBP)	95.09	87.8	94.12	83.43	100	70.49	96.13
% who Rated Agency 9,10 (VBP)	94.69	81.8	96.1	86.6	94.4	85.94	94.78
% who would Recommend (VBP)	91.39	82.3	92.8	82.7	95.2	79.98	89.58
Total Performance Score (VBP)	90%	19%	98%	13%	92%	25%	94%
Added In 2026							
Bathing (VBP)							
Upper Body Dressing (VBP)							
Lower Body Dressing (VBP)							
Medicare Spending Per Beneficiary (VBP)							

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Financial Outcomes

HHSM Average Financial Increase on 60-day Episodes			
	Client Baseline	HHSM Outcome	% Increase w/ HHSM
Client A	\$ 3,728.00	\$ 4,999.23	34%
Client B	\$ 2,543.08	\$ 4,678.92	83%
Client C	\$ 3,461.00	\$ 4,524.62	31%

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VBP Changes From 2025 to 2026

Category	Score Component	2025	2026
Functional Outcomes	Discharge Function Score	✓	✓
	Dyspnea (Risk-Adjusted)	✓	✓
	Oral Medications (Risk-Adjusted)	✓	✓
*New 2026	Bathing (Risk-Adjusted)		✓
*New 2026	Upper Body Dressing (Risk-Adjusted)		✓
*New 2026	Lower Body Dressing (Risk-Adjusted)		✓
Utilization & Safety	Potentially Preventable Hospitalization	✓	✓
HHCAHPS	Communication *Removed 2026	✓	
*Removed 2026	Care of Patient	✓	
*Removed 2026	Specific Care Issues	✓	
	Would Recommend	✓	✓
	Overall Rating of 9 or 10	✓	✓

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VBP 2026 Measures Overview

Measure Category	Measure Name	Included
Functional Outcomes	Discharge Function Score	✓
	Dyspnea (Risk-Adjusted)	✓
	Oral Medications (Risk-Adjusted)	✓
*New 2026	Bathing (Risk-Adjusted)	✓
*New 2026	Upper Body Dressing (Risk-Adjusted)	✓
*New 2026	Lower Body Dressing (Risk-Adjusted)	✓
Utilization & Efficiency	Potentially Preventable Hospitalization	✓
*New 2026	Medicare Spending Per Beneficiary	✓
HHCAHPS	Overall Rating of 9 or 10	✓
	Would Recommend	✓
Community & Discharge Measures	Discharge to Community	✓

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Key Performance Indicators (KPIs) to Manage PDGM

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Current Client KPI				
	Baseline	Target	November 2025	December 2025
HHRG 1-30 Day	\$2,696.00	\$2,900.00	\$2,911.08	\$2,875.47
HHRG31-60 Day	\$1,718.00	\$1,900.00	\$1,935.47	\$1,894.52
Case Mix	1.037	>1.2	1.35	1.35
NTUC	20	14	6	4
LUPA 1-30 Day	5.5	3	2	1
LUPA 31-60 Day	6.6	3	1	3
Missed Visits	254*	0	310	335
Census	380	NA	480	513
Admits/Month - SOC&REC	198	>238	397	411
Episodic %	90%	>70%	91%	91%
Nursing Savings Total			\$ 92,431.92	\$ 196,103.91
SNV/Month	13	5	4.92	4.37
Falls	83*	0	63	52
Rehospitalization Totals	81*	<7%	72	58
VBP Analysis of Public Reported Outcomes				
	Baseline	Target = 90 th % VBP	November 2025	December 2025
Star Rating	4	4.5+	5	5
Timely Initiation of Care	100	100	98.7	100
Oral Meds	93.68	98.75	97	97.4
Ambulation	90.6	95.8	95.9	96.1
Bed Transfer	93.9	95.5	99	96.2
Bathing	93.9	97.4	99.7	98.8
Dyspnea	95.42	99.42	99.2	99.4
PPH	9	6.3	5.7*	3.4*
DFS	88.56	83.18	85.9	89
TPS	49.71	82 - 90 th %	90.05 - 96%	88.72 - 96%
VBP Bonus	2.50%	5%	NA	NA

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Hardwired Client KPI				
	Baseline	Target	March 2025	April 2025
HHRG 1-30 Day	\$1,975.00	\$2,700.00	\$2,784.60	\$2,791.72
HHRG31-60 Day	\$1,486.00	\$1,800.00	\$1,798.27	\$1,888.20
Case Mix	1.01	>1.2	1.28	1.34
NTUC	41	29	13	8
LUPA 1-30 Day	16	3	3	1
LUPA 31-60 Day	19	3	4	2
Missed Visits	442	0	73	70
Census	484	NA	472	481
Admits/Month - SOC&REC	312	>238	316	341
Episodic %	45%	>70%	60%	67%
Nursing Savings Total			\$416,000.00	\$487,300.00
SNV/Month	12	5	4.09	4.07
Falls	43	0	21	16
Rehospitalization Totals	91	<7%	33	29
VBP Analysis of Public Reported Outcomes				
	Baseline	Target = 90 th % VBP	March 2025	April 2025
Star Rating	1.5	4.5+	5	5
Timely Initiation of Care	97	100	99.2	100
Oral Meds	77.9	98.75	98.1	98.4
Ambulation	83.7	95.8	91.4	95.9
Bed Transfer	84.7	95.5	93.4	95.7
Bathing	87.8	97.4	98.8	100
Dyspnea	88.7	99.42	96	96.4
PPH	14.12	6.3	8.3	4.3
DFS	80.81	83.18	87.05	90.6
TPS	21.98	82 – 90 th %	74.3 - 76%	83.1 - 94%
VBP Bonus	-3.81%	5%	NA	NA

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Closing thoughts on Operational Management for VBP–Level Outcomes

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