



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

## Winter Conference

Thursday, February 19, 2026

12:45pm-1:45pm

### 6a. Trends in PDGM Margins and Metrics

Presented by:

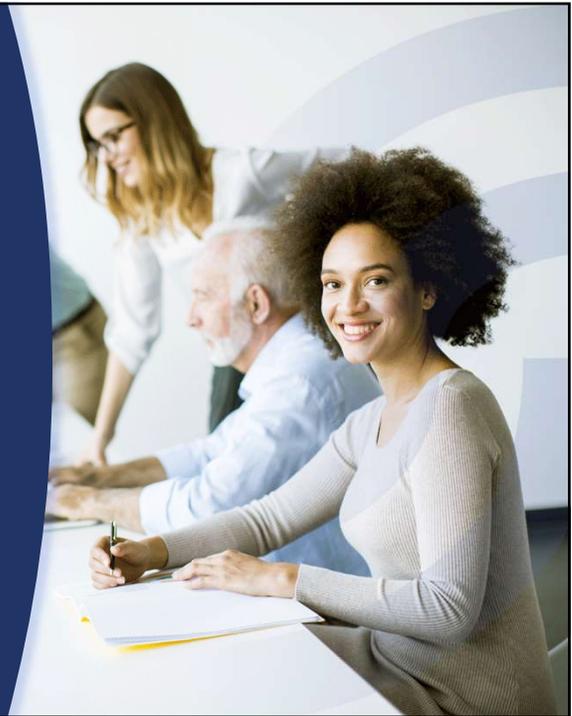
Nick Seabrook, EVP, SimiTree

Thank you to our Partners:



# Trends in PDGM Margins and Metrics

Nick Seabrook, EVP



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## Agenda

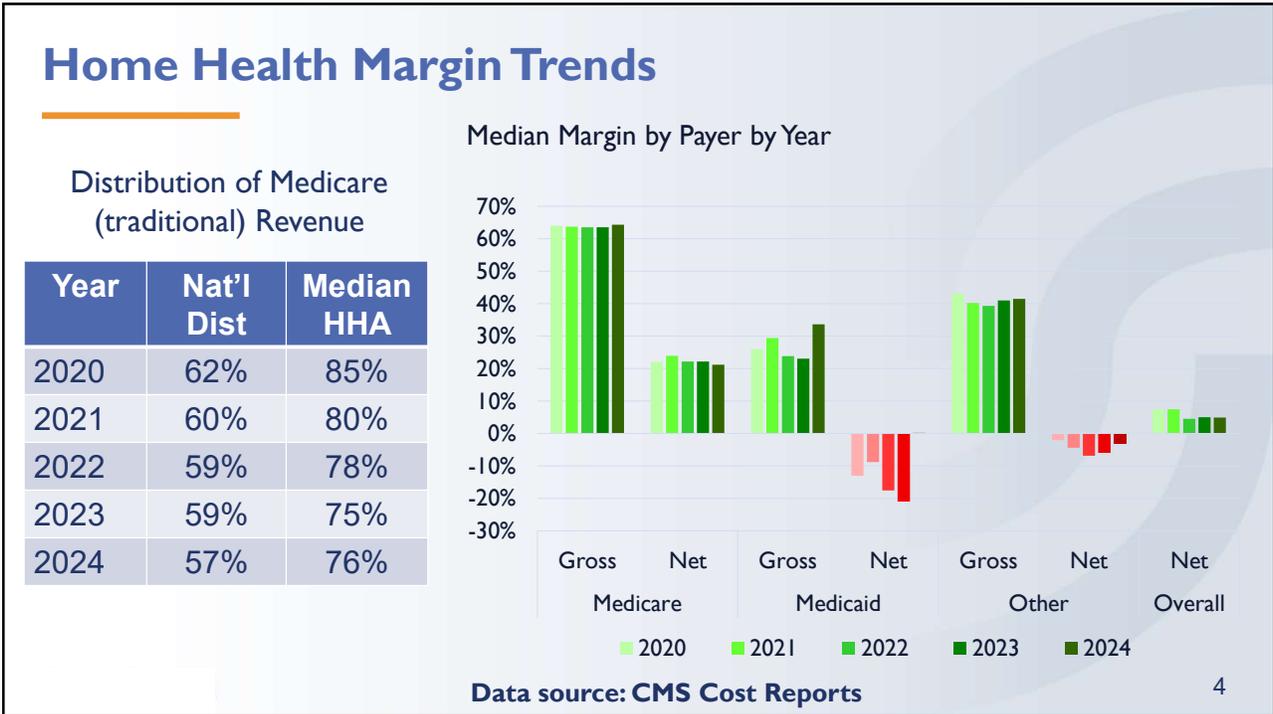
1. PDGM Margin Trends
2. Medicare Advantage Trends
3. PDGM Metrics Trends
4. Recommendations
5. Q&A



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# PDGM Margins

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## Home Health Margins Trends – Texas

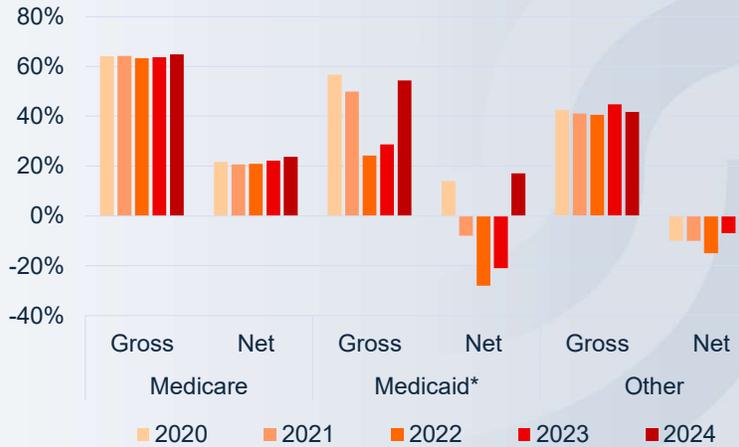
Distribution of Medicare (traditional) Revenue

Texas HHAs:

FY	Avg. Median	State Norm
2020	98%	69%
2021	93%	67%
2022	89%	64%
2023	81%	61%
2024	77%	57%

10% of HHAs have <20% Medicare, with an average net pt. revenue of over \$5M. Avg.net pt revenue of all TX HHAs is just under \$2M.

Texas Median Margins by Payer (from Cost Reports)



Data source: CMS Cost Reports

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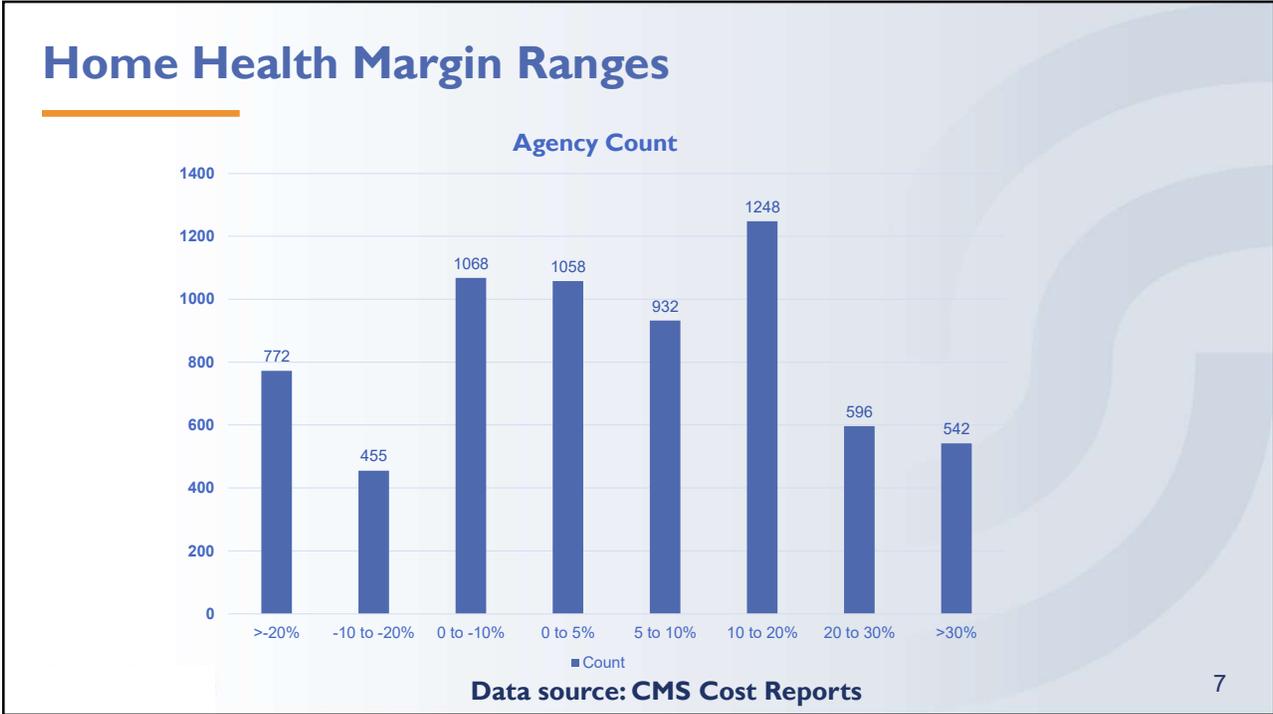
## Home Health Margins by Size

Quartile	Avg Annual Rev	Median Annual Rev	Avg Net Margin	Median Net Margin
Bottom 25%	\$469,101	\$467,340	-675.2%	0.3%
25 <sup>th</sup> – 50 <sup>th</sup>	\$1,332,388	\$1,312,829	5.8%	3.4%
51 <sup>st</sup> – 75 <sup>th</sup>	\$2,899,163	\$2,780,143	8.0%	5.6%
Top 25%	\$12,402,483	\$8,052,924	12.2%	9.3%

Data source: CMS Cost Reports

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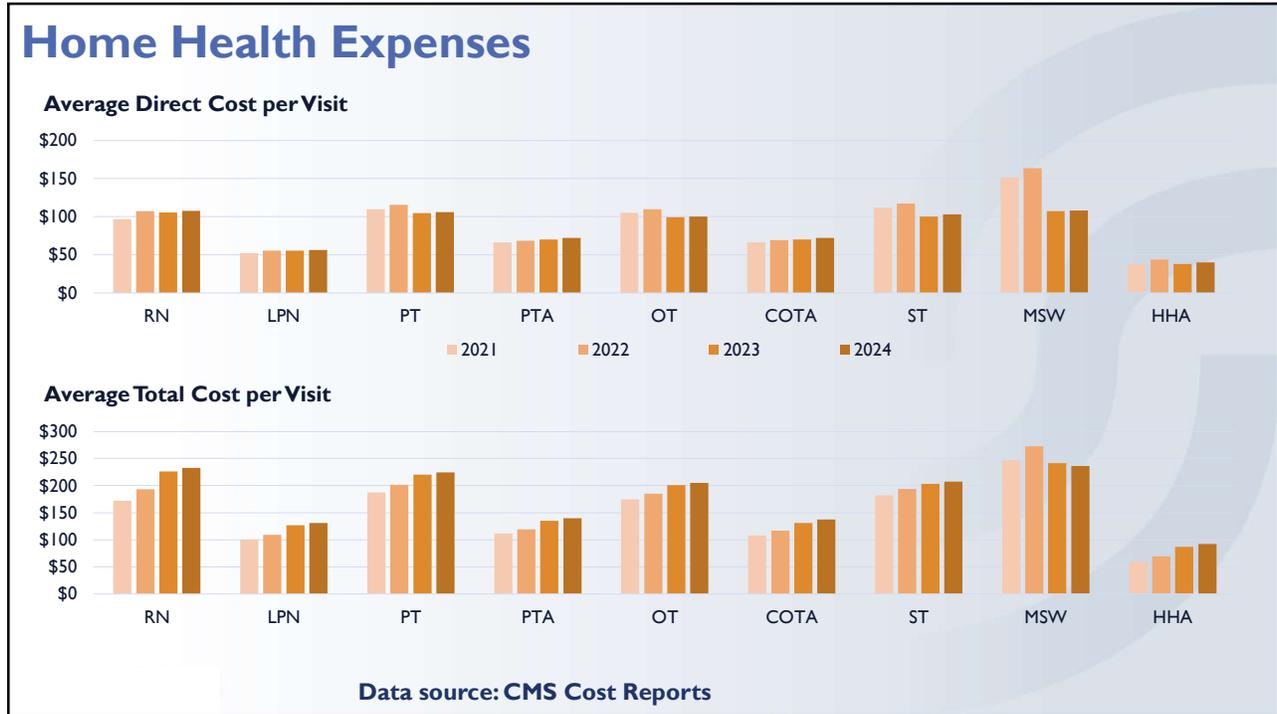
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### Home Health Agencies by Size - Texas

Total Revenue	Agency Count	Avg. Net Margin
\$1 - 500K	181	-454.1%
\$500K - 1M	162	-5.0%
\$1M - 2M	227	0.8%
\$2M - 4M	180	7.8%
\$4M - 10M	158	11.3%
\$10M+	65	9.8%

Data source: CMS Cost Reports

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## Costs Per Period

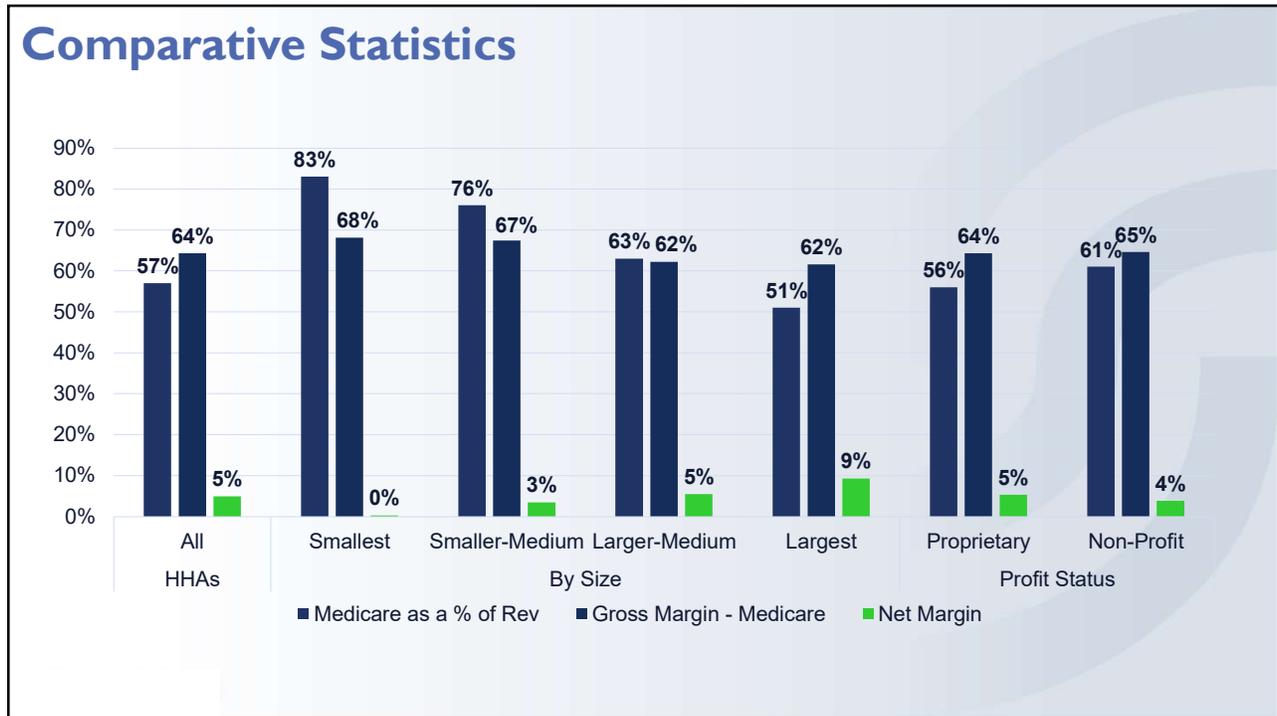
**TABLE 5: ESTIMATED AVERAGE COSTS FOR 30-DAY PERIODS OF CARE IN CY 2024**

Discipline	2023 Average Cost per Visit	2024 Average Number of Visits	2024 Market Basket Update Factor	2024 Estimated 30-Day Period Costs
Skilled Nursing	\$184.60	4.05	1.03	\$770.06
Physical Therapy	\$181.18	2.90	1.03	\$541.18
Occupational Therapy	\$178.97	0.78	1.03	\$143.78
Speech Pathology	\$206.56	0.14	1.03	\$29.79
Medical Social Services	\$318.84	0.05	1.03	\$16.42
Home Health Aides	\$109.00	0.42	1.03	\$47.15
<b>Total</b>		8.34		<b>\$1,548.39</b>

Data source: CMS Proposed Rule 2026

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# Medicare Advantage

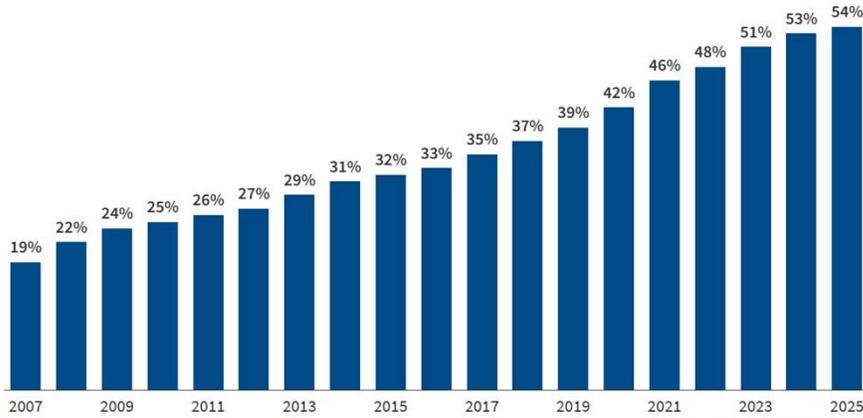
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# Medicare Advantage Growth

Figure 1

## Total Medicare Advantage Enrollment, 2007-2025

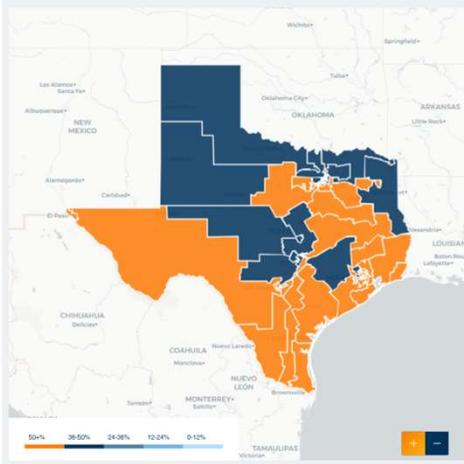
Medicare Advantage Penetration Medicare Advantage Enrollment



Data source: KFF

# Medicare Advantage in Texas

## MEDICARE ADVANTAGE PARTICIPATION



## Texas District Total

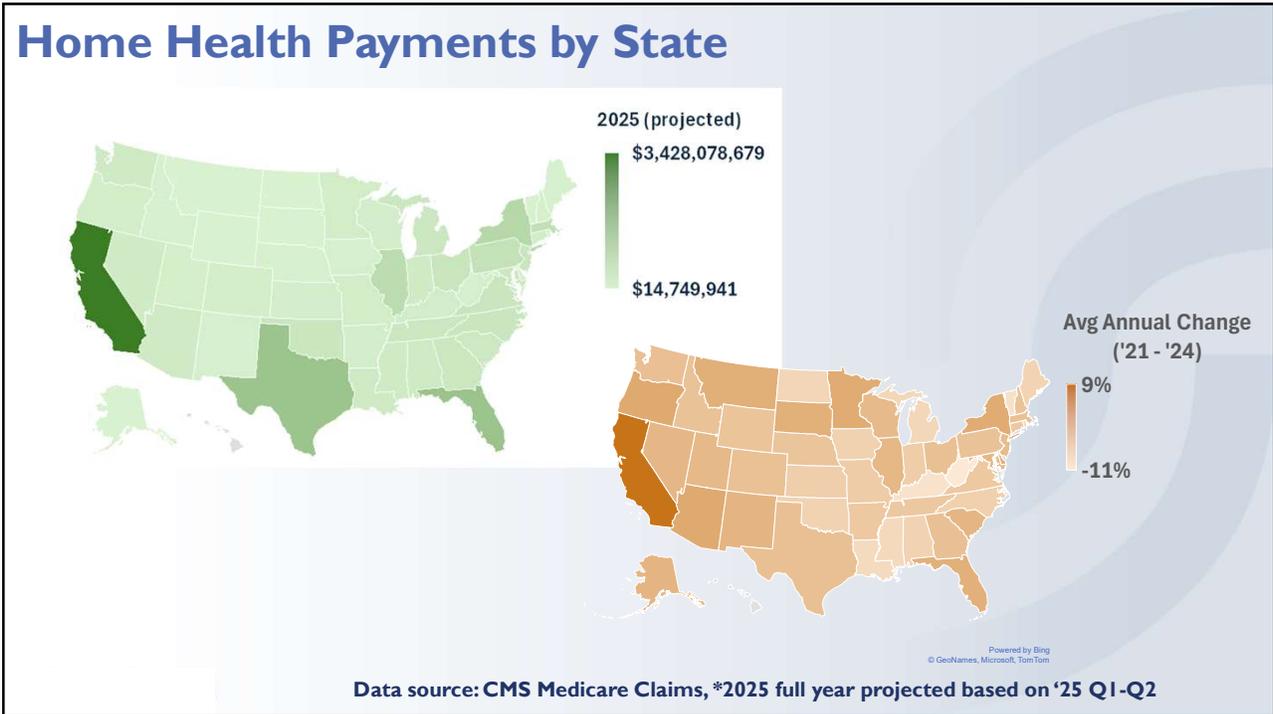
Medicare Advantage Eligible	4,377,300
Medicare Advantage Enrolled	2,574,219
Medicare Advantage Percentage	58.8%
Medicare Fee-For-Service	1,803,081

PRINT MAP

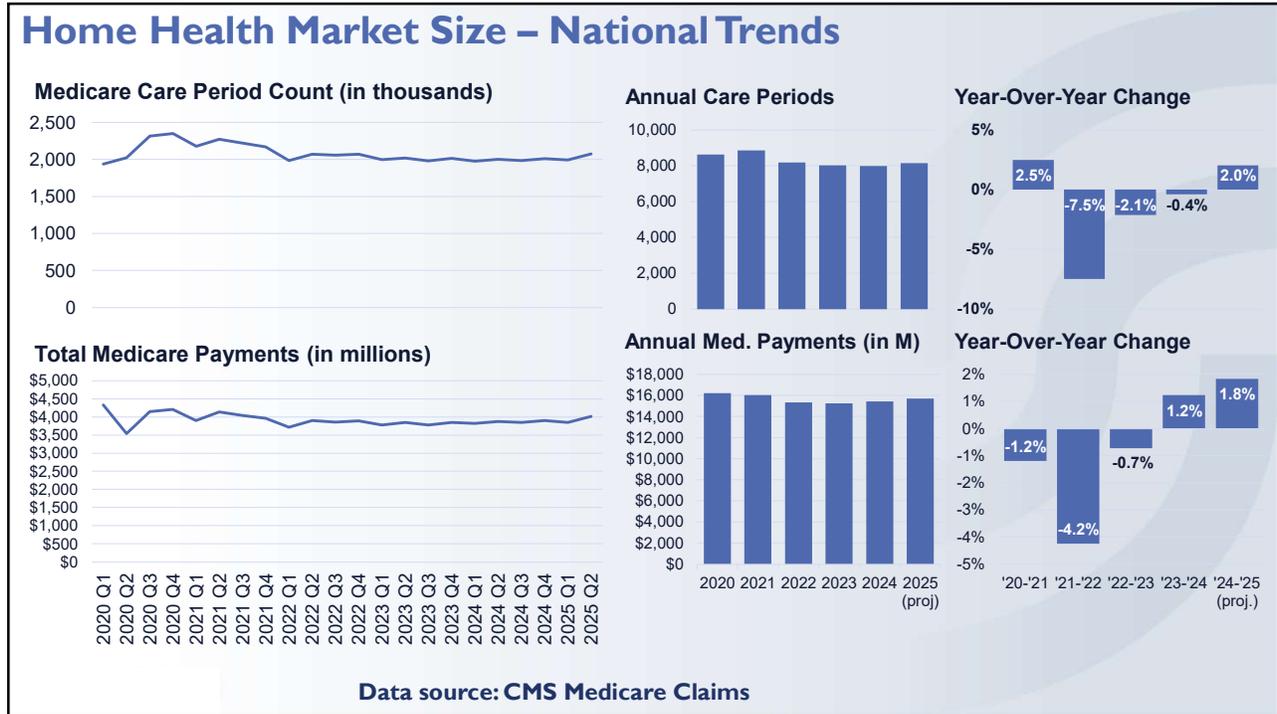
Data source: MedicareAdvantageEnrollmentMap.com

# PDGM Metrics

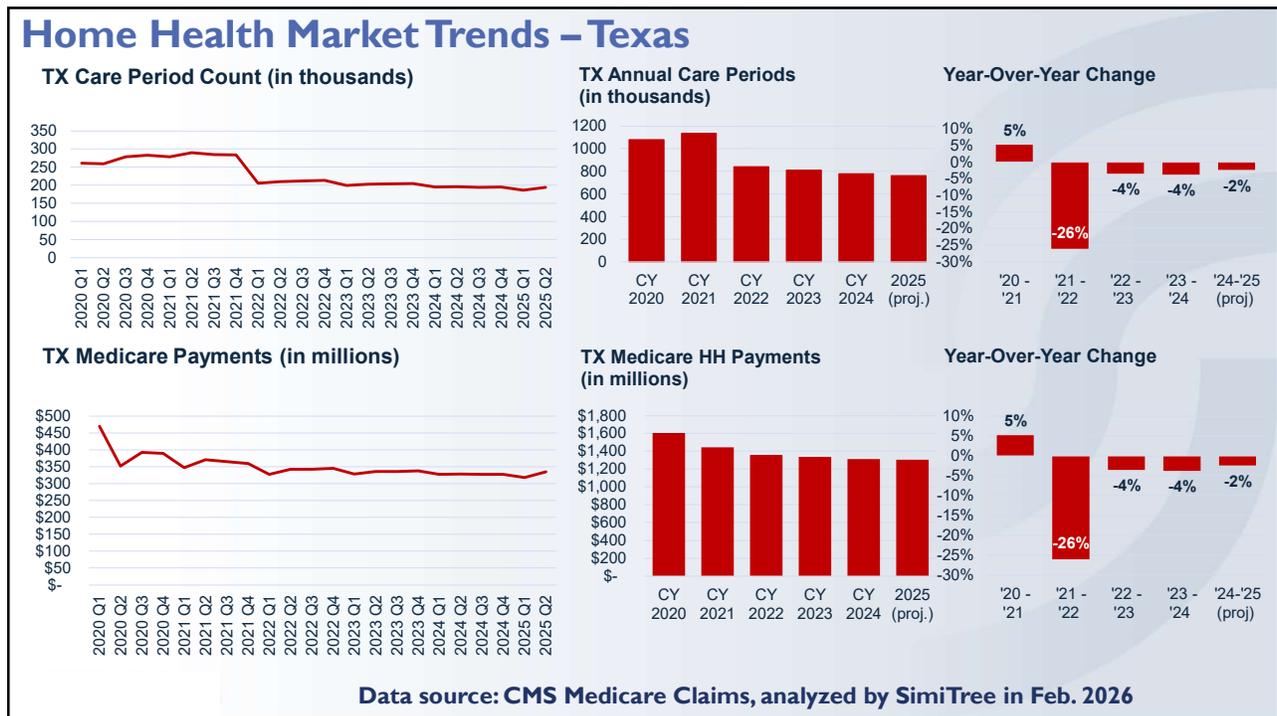
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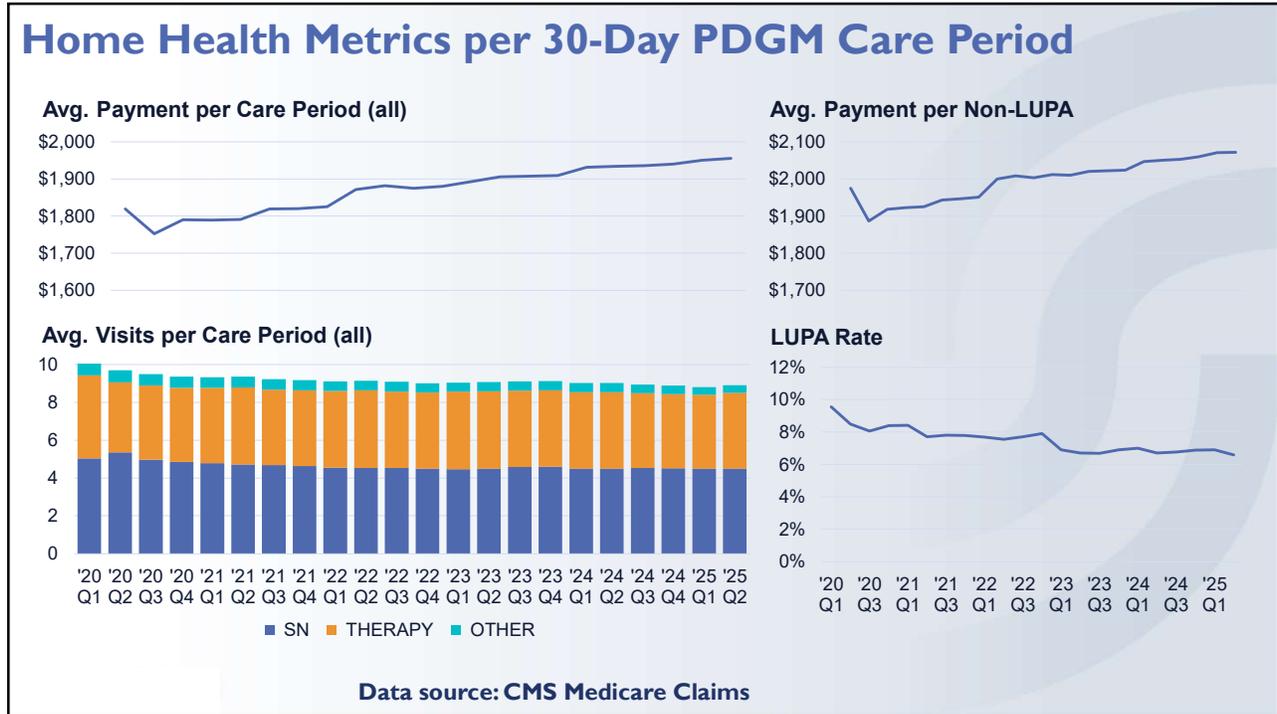
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### Visit Utilization

**TABLE 3: UTILIZATION OF VISITS PER 30-DAY PERIODS OF CARE BY HOME HEALTH DISCIPLINE, CYs 2018-2024**

Discipline	CY 2018 (Simulated)	CY 2019 (Simulated)	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Skilled Nursing	4.53	4.49	4.35	4.05	3.90	3.87	3.84
Physical Therapy	3.30	3.33	2.70	2.74	2.77	2.77	2.73
Occupational Therapy	1.02	1.07	0.79	0.78	0.77	0.76	0.73
Speech Therapy	0.21	0.21	0.16	0.15	0.14	0.14	0.13
Home Health Aide	0.72	0.67	0.54	0.48	0.43	0.42	0.39
Social Worker	0.08	0.08	0.06	0.05	0.05	0.05	0.04
Total (all disciplines)	<b>9.86</b>	<b>9.85</b>	<b>8.59</b>	<b>8.25</b>	<b>8.06</b>	<b>8.00</b>	<b>7.86</b>

Data source: CMS Proposed Rule 2026

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## Clinical Groupings

**TABLE 6: DISTRIBUTION OF 30-DAY PERIODS OF CARE BY THE 12 PDGM CLINICAL GROUPS, CYs 2018-2024**

Clinical Grouping	CY 2018 (Simulated)	CY 2019 (Simulated)	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Behavioral Health	1.7%	1.5%	2.3%	2.4%	2.3%	2.2%	2.1%
Complex	2.6%	2.5%	3.5%	3.3%	3.2%	3.1%	3.1%
MMTA – Cardiac	16.5%	16.1%	18.9%	18.5%	17.9%	17.5%	17.1%
MMTA – Endocrine	17.3%	17.4%	7.2%	6.9%	6.8%	7.0%	7.1%
MMTA – GI/GU	2.2%	2.3%	4.7%	4.7%	4.9%	5.0%	5.2%
MMTA – Infectious	2.9%	2.7%	4.8%	4.6%	4.6%	4.7%	4.8%
MMTA – Other	4.7%	4.7%	3.1%	3.6%	3.5%	3.7%	3.8%
MMTA – Respiratory	4.3%	4.1%	7.8%	8.0%	7.8%	7.2%	7.0%
MMTA – Surgical Aftercare	1.8%	1.8%	3.6%	3.4%	3.4%	3.5%	3.5%
MS Rehab	17.1%	17.3%	19.4%	19.8%	20.8%	21.2%	21.4%
Neuro	14.4%	14.5%	10.5%	10.9%	11.0%	10.9%	10.8%
Wound	14.5%	15.1%	14.2%	13.9%	13.7%	14.0%	14.0%

Data source: CMS Proposed Rule 2026

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## Comorbidity Adjustments

**TABLE 7: DISTRIBUTION OF 30-DAY PERIODS OF CARE BY COMORBIDITY ADJUSTMENT CATEGORY FOR 30-DAY PERIODS, CY 2018-2024**

Comorbidity Adjustment	CY 2018 (Simulated)	CY 2019 (Simulated)	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
None	55.6%	52.0%	49.1%	49.6%	37.3%	30.7%	29.1%
Low	35.3%	38.0%	36.9%	36.8%	47.8%	52.6%	55.4%
High	9.2%	10.0%	14.0%	13.5%	14.9%	16.7%	15.4%

Data source: CMS Proposed Rule 2026

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## Source and Timing

**TABLE 8: DISTRIBUTION OF 30-DAY PERIODS OF CARE BY ADMISSION SOURCE AND PERIOD TIMING, CYs 2018-2024**

Admission Source	Period Timing	CY 2018 (Simulated)	CY 2019 (Simulated)	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Community	Early	13.5%	13.8%	12.4%	11.6%	11.7%	11.6%	11.5%
Community	Late	61.1%	60.9%	61.8%	63.7%	63.1%	63.1%	63.6%
Institutional	Early	18.6%	18.4%	20.0%	18.6%	19.2%	19.3%	18.8%
Institutional	Late	6.8%	6.9%	5.8%	6.1%	6.0%	6.1%	6.1%

Data source: CMS Proposed Rule 2026

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## Functional Impairment

**TABLE 9: DISTRIBUTION OF 30-DAY PERIODS OF CARE BY FUNCTIONAL IMPAIRMENT LEVEL, CYs 2018-2024**

Functional Impairment Level	CY 2018 (Simulated)	CY 2019 (Simulated)	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
Low	33.9%	31.9%	25.7%	23.3%	28.1%	29.8%	30.3%
Medium	34.9%	35.5%	32.7%	32.6%	33.1%	31.8%	31.8%
High	31.2%	32.6%	41.7%	44.2%	38.8%	38.4%	37.8%

Data source: CMS Proposed Rule 2026

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# Recommendations

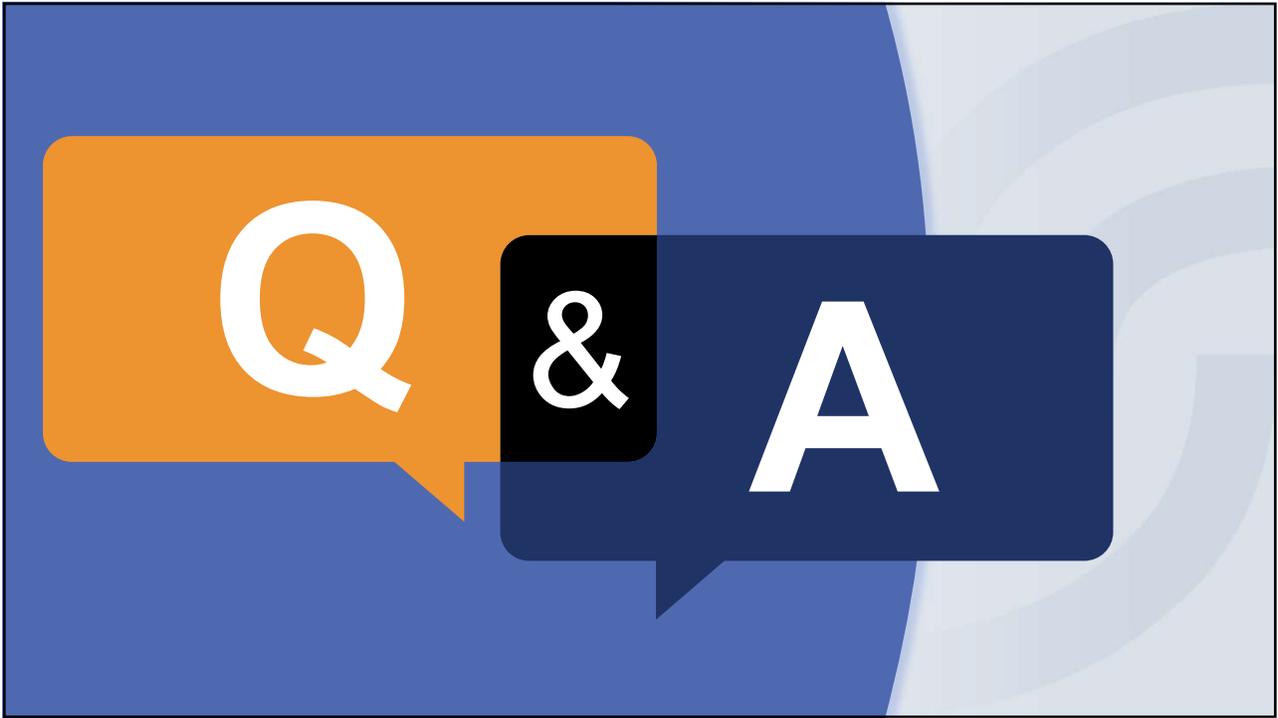
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## How to maximize performance under PDGM

- Understand growth opportunities
- Update staffing based on MA penetration
- Complete coding/OASIS audit to determine potential opportunities
- Ensure accurate cost report completion
- Manage LUPAs
- Control Visit Utilization
- Maximize contracted Payor rates



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