



Supporting Quality Health Care Services at Home

Homecare Reduces Costs in Medicare and Medicaid

Studies published in the *Journal of the American Medical Association*, the *New England Journal of Medicine*, and other sources show the value and cost-effectiveness of homecare.

Oxygen Therapy Reduces Mortality and Hospitalization

A 2004 assessment of all clinical literature on long-term oxygen therapy by the U.S. Agency for Healthcare Research and Quality found oxygen therapy reduces mortality and hospital utilization (frequency and length of stay) for patients with severe chronic obstructive pulmonary disease (COPD). Average number of hospital admissions per patient year decreased from 2.1 to 1.6 and average number of days hospitalized decreased from 23.7 to 13.4 after Long-Term Oxygen Therapy. (*Long-Term Oxygen Therapy for Severe COPD*, June 11, 2004, Lau, et al. Tufts-New England Medical Center Evidence based Practice Center.)

Homecare Reduces Costs by 37 Percent for Heart Failure Patients

The May 2004 *Journal of the American Geriatrics Society* reports that homecare directed by Advanced Practice Nurses (APNs) reduced total costs of care for patients suffering from heart failure and comorbid conditions, attributable to fewer and later hospitalizations and fewer deaths. (“Transitional Care of Older Adults Hospitalized with Heart Failure: A Randomized Controlled Trial,” *Journal of the American Geriatrics Society*, May 2004.)

Cost of Home Intravenous Antibiotic Treatment Much Lower than Hospital, SNF Settings

This 1998 study in *Clinical Infectious Diseases* quantifies cost savings of a home intravenous antibiotic program in a Medicare managed care plan. The average cost per day of home therapy was \$122, compared to \$798 in the hospital and \$541 in a skilled nursing facility (SNF) setting. (Dalovisio, J., et al, “Financial Impact of a Home Intravenous Antibiotic Program on a Medicare Managed Care Program,” *Clinical Infectious Diseases*, 2000.)

One Year of Long-Term Oxygen Therapy at Home Costs Less than One Day in Hospital

Oxygen can be provided to a COPD patient who lives at home for one year at less than the average Medicare cost for one day in the hospital, which is \$4,603. Direct medical costs for COPD in the U.S. total \$18 billion per year, nearly 9% of Medicare expenditures. (Dunne PJ. “The demographics and economics of long-term oxygen therapy.” *Respiratory Care*. 45:223-228, 2000.)

Review of Medicaid Homecare in Seven States Shows Reduced Costs

A 2002 study published in *Health Care Financing Review* describes the characteristics of Medicaid home and community-based (HCB) programs in seven states. In Washington, for example, the state imposed strict fiscal caps, keeping spending to 40 percent of the cost of nursing home care on a per capita basis. (Wiener, J., et al, “Home and Community-Based Services in Seven States,” *Health Care Financing Review*, Spring 2002.)

Homecare Saves 65 Percent in Post-Acute Care

A 1999 study reported in the *Journal of the American Medical Association* reported savings of about 65 percent in a randomized-controlled trial of post-acute home-based management by advanced practice nurses. (Naylor, MD, et al, “Comprehensive discharge planning and home follow-up of hospitalized elders,” *JAMA* 281:613-620, 1999.)

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