

## **Rural Home Health Therapy Service Use Growing, But Lags Behind Growth in Metro Areas, Study Finds**

During several periods, rural home health agencies have experienced less growth or greater decline than urban agencies have, demonstrates a recently issued study from the Walsh Center for Rural Health Analysis in the University of Chicago's National Opinion Research Center (NORC). The study, "Home Health Payment Reform: Trends in the Supply of Rural Agencies and Availability of Home-Based Skilled Services" (March 2005), examines the availability of home health services and the supply of home health agencies in rural areas against a backdrop of trends for more urban areas.

For the report, the center assessed the supply of home health agencies for three periods: (1) the years prior to passage of the Balanced Budget Act of 1997 (BBA); (2) the time during which the interim payment system (IPS) was in place; and (3) the period since implementation of the Medicare home health prospective payment system (PPS). Additionally, the center examined changes in the proportion of agencies offering occupational therapy (OT), physical therapy (PT), speech therapy (ST), and medical social work services.

### **Supply of Agencies**

From 1995 to 1997, rural home health agencies showed less growth when compared with their urban counterparts (8.8 percent, as opposed to as high as 18.8 percent growth for metropolitan area agencies), among other trends the report describes. Under the IPS, rural agencies declined by 18.9 percent, which was less dramatic than the decrease in number of agencies in more urban areas for the same period.

For the most recent years studied, however (2001 to 2003), rural agencies show the highest rate of decline with a drop of 6.0 percent -- and the loss of a rural agency may have a more noticeable impact on a community, study researchers observe. "Closure of a rural agency may have a greater impact on access since many rural communities are experiencing critical shortages of providers," the study notes.

Also considered is the expiration last Thursday (March 31) of the temporary 5 percent home health add-on applied to episodes of care in rural areas. The study determines that the post-PPS decline in rural agencies "suggests the need for continued monitoring of the financial impact of the home care payment system, particularly as the rural add-on is set to expire in 2005."

## Availability of Services

Addressing delivery of a select group of services (OT, PT, ST, and social work), the center found that while the availability of PT services has increased between 1997 and 2003, about 7 percent of rural home health agencies do not offer PT services -- *despite* significant financial incentives under the home health PPS to do so.

The number of rural agencies providing OT services increased by 27.2 percent between 1997 and 2003, and those offering ST increased by 10 percent during the same time period. Meanwhile, the availability of social work services from rural home health agencies actually declined between 1997 and 2003, from 43.6 percent to 40.4 percent.

Study findings indicate that rural agencies were the least likely to offer the services examined. The center concludes that "large disparities in access to home-based therapy and social services continues [sic] to exist," and as causal factors points to therapist and social worker shortages as well as variance in physician practice patterns for prescribing home-based therapy.