

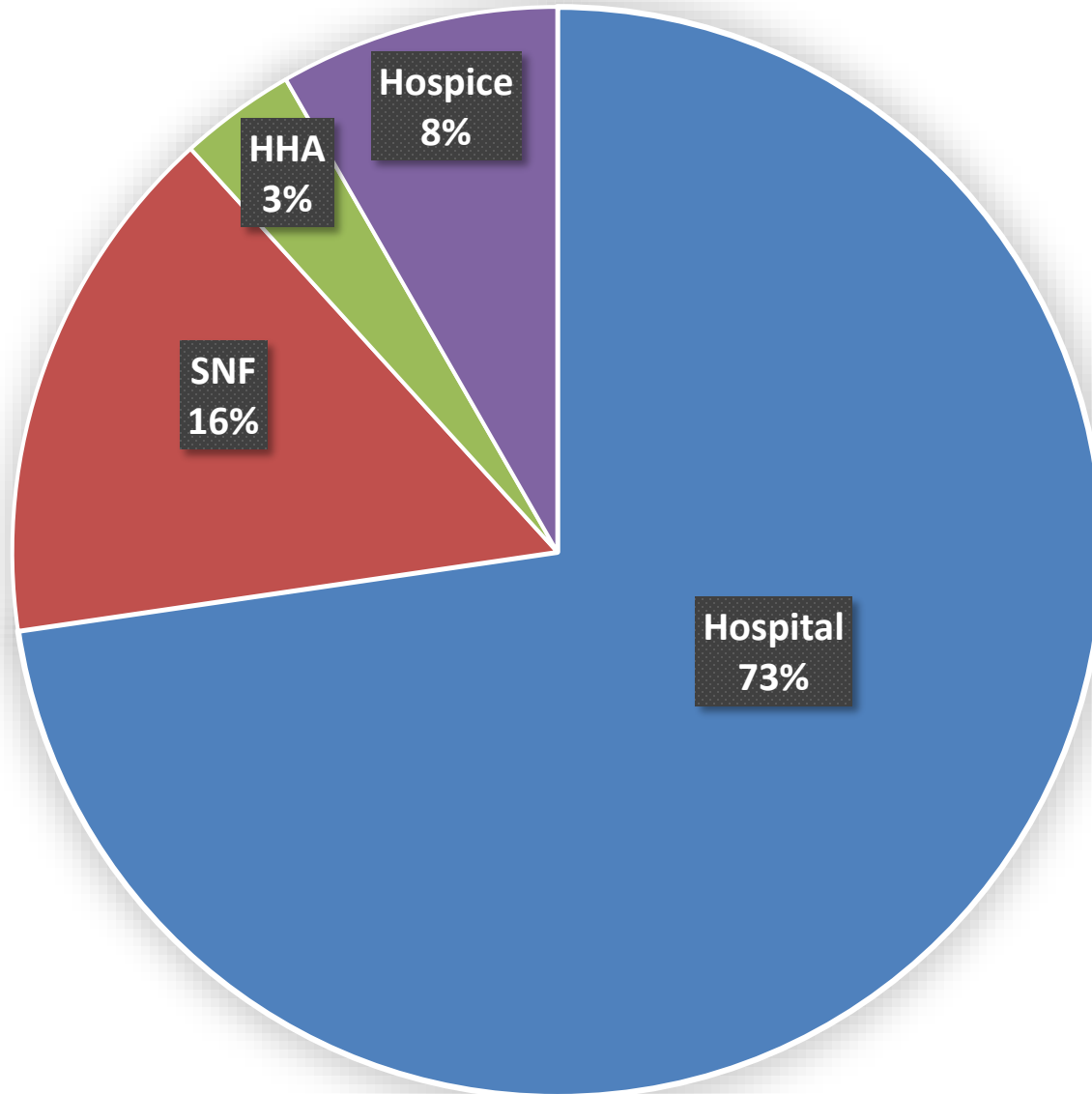
# HI Projections

Medicare Technical Panel

# Part A FFS Benefits

- Inpatient hospital
- Skilled nursing facility
- Home health agency
- Hospice

# HI FFS Benefits



# Projections (3 factors)

- FFS Enrollment
- Utilization
- Unit cost

# Enrollment

- Take out managed care
- Aged
- Disabled
- ESRD

# Unit Cost

- Price (function of MB)
- Case mix

# 2000 Technical Panel

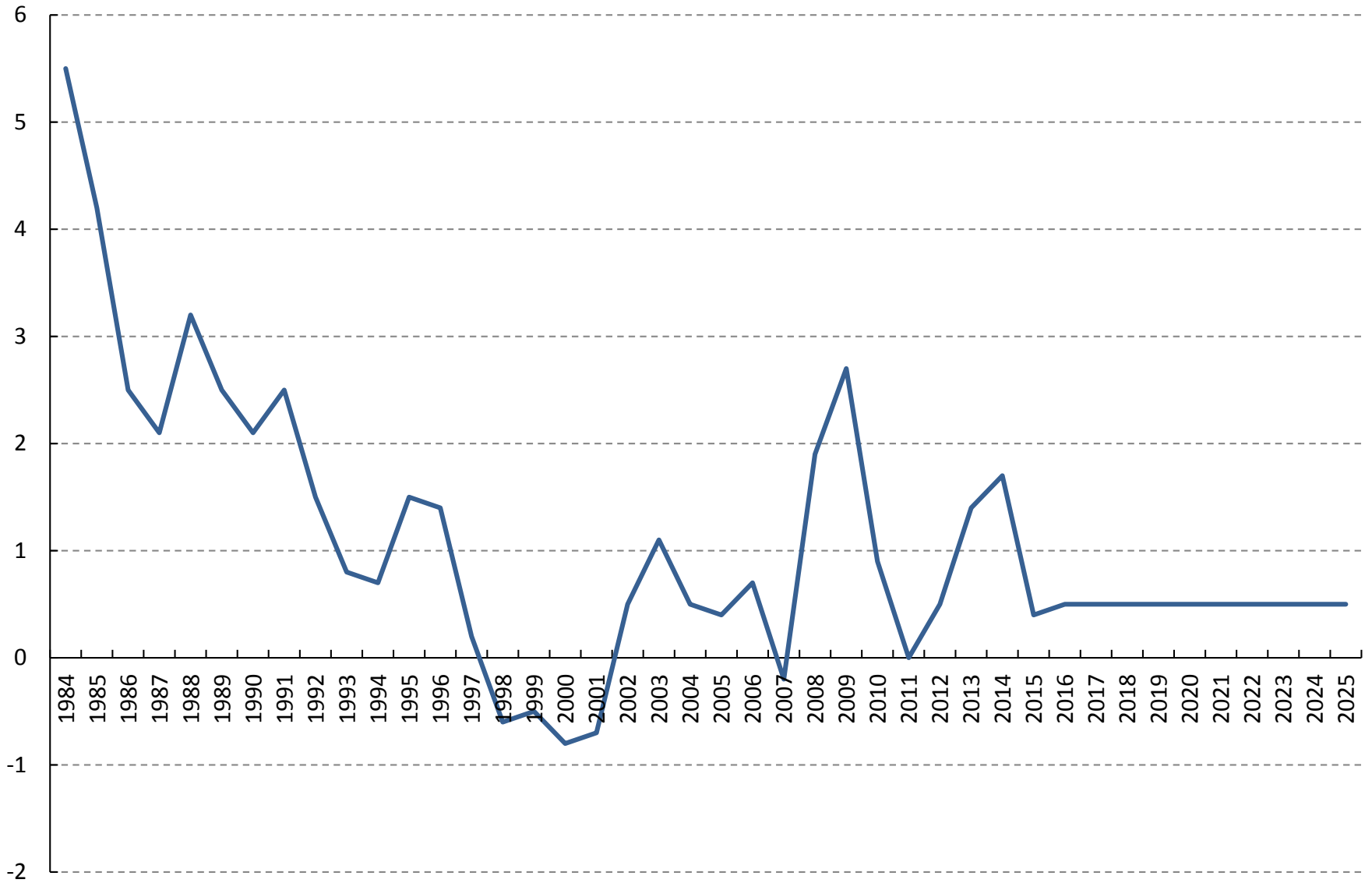
- The Panel recommends that the case mix increase for inpatient hospital, skilled nursing facility, and home health services paid on a prospective payment basis be projected to have an underlying growth rate increasing at 1 percent per year.
- The Panel finds reasonable that the assumptions that case mix index increases for skilled nursing facilities and home health services will decline to a steady state growth rate over time.

# 2011 Technical Panel

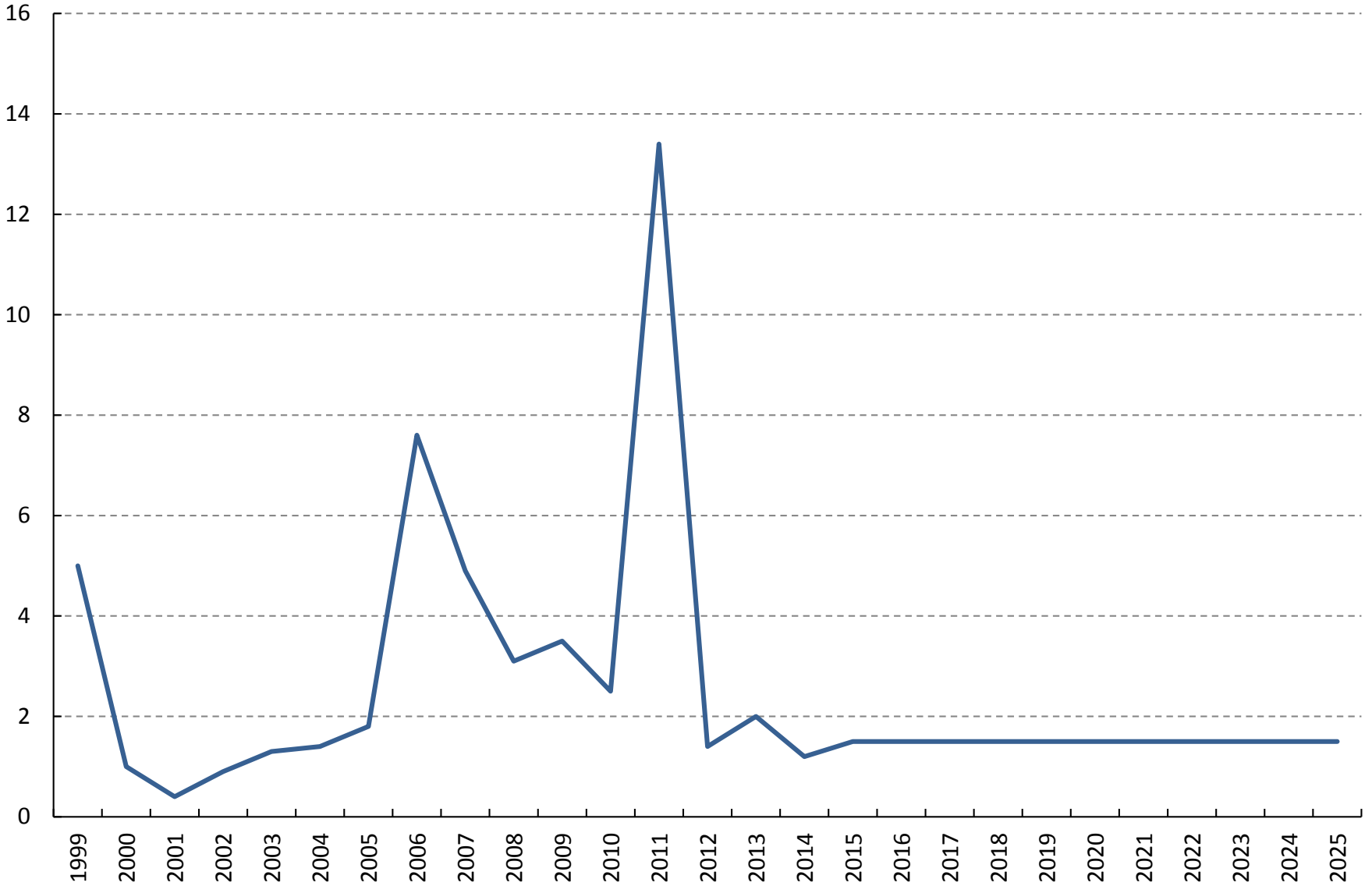
- The Panel finds that the current assumptions for inpatient hospital case-mix growth may be too high and that those for skilled nursing facilities and home health care may be too low.



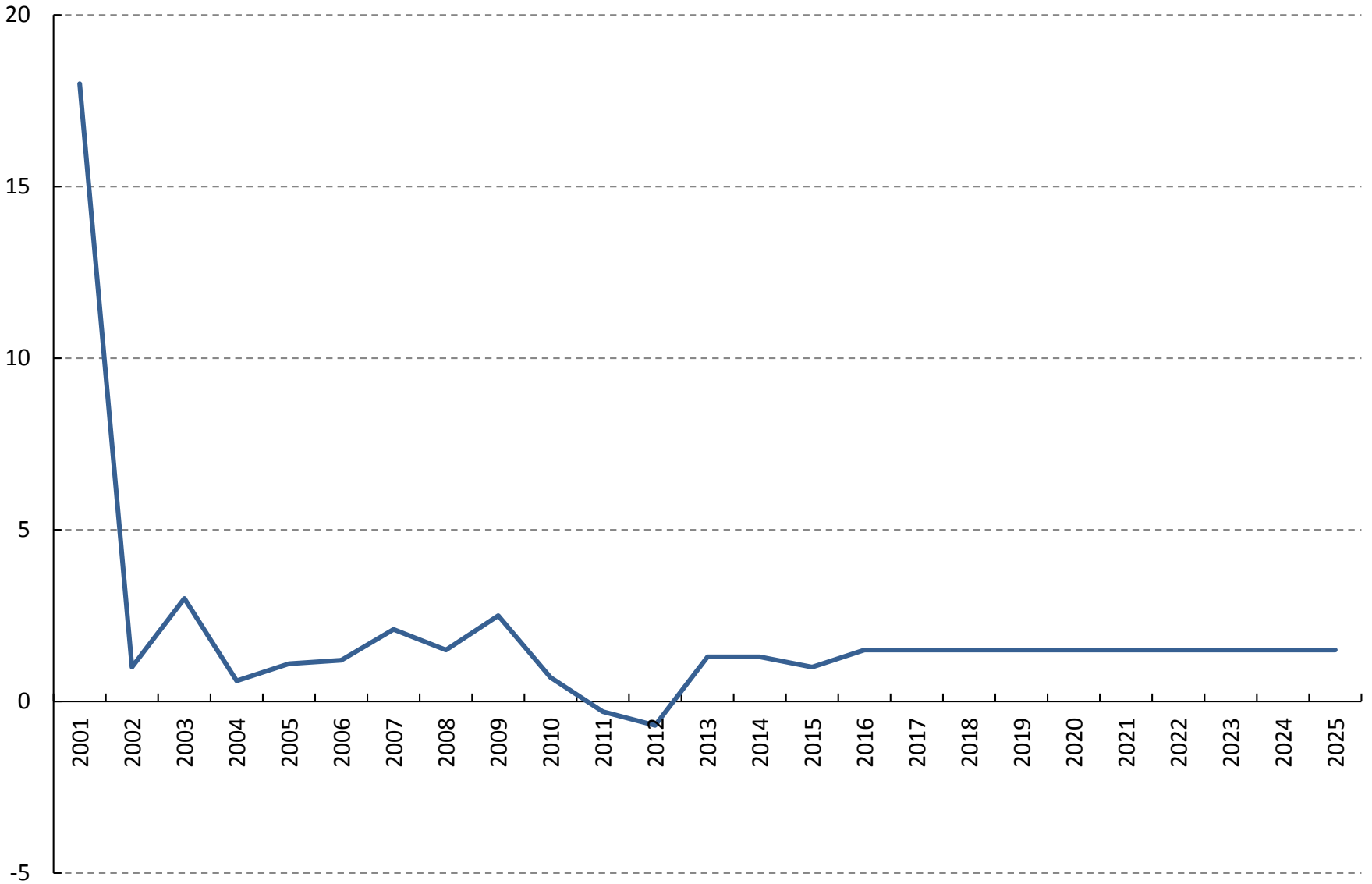
# Hospital Case Mix



# SNF Case Mix



# HHA Case Mix



# Utilization

- Base trend
- Age sex
- MA switchers impact

# 2000 Technical Panel

- The panel recommends that an explicit assumption of selection effects be incorporated in the managed care shift effect.

# 2000 Technical Panel

- The panel recommends a trend in the next decade toward lower inpatient hospital utilization.

Current forecasts project no increase in per-beneficiary utilization of HI services after the next few years. The Panel concludes that this assumption is generally reasonable and suggests a slight decrease in the use of inpatient hospital services in this time period.

# 2000 Technical Panel

- The Panel recommends a trend in the next decade toward no change in utilization of home health or skilled nursing facilities.

# 2011 Technical Panel

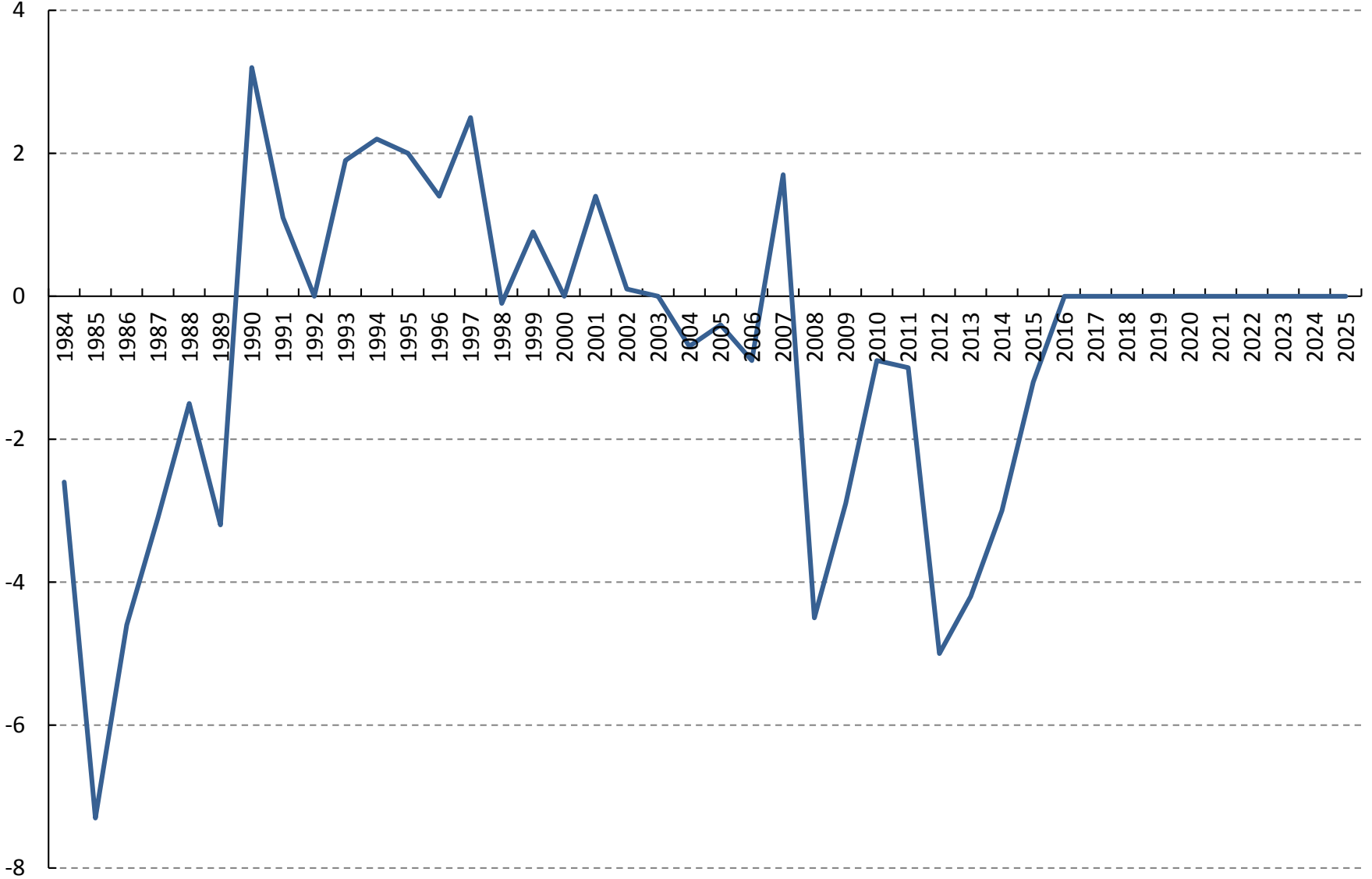
- The Panel recommends reconsideration of the current assumption that growth in SNF per capita utilization will rapidly decline from recent historical levels to zero percent per year for the balance of the short-range period. In view of past trends, the Panel believes an ultimate growth rate of 1 percent per year would be more appropriate.



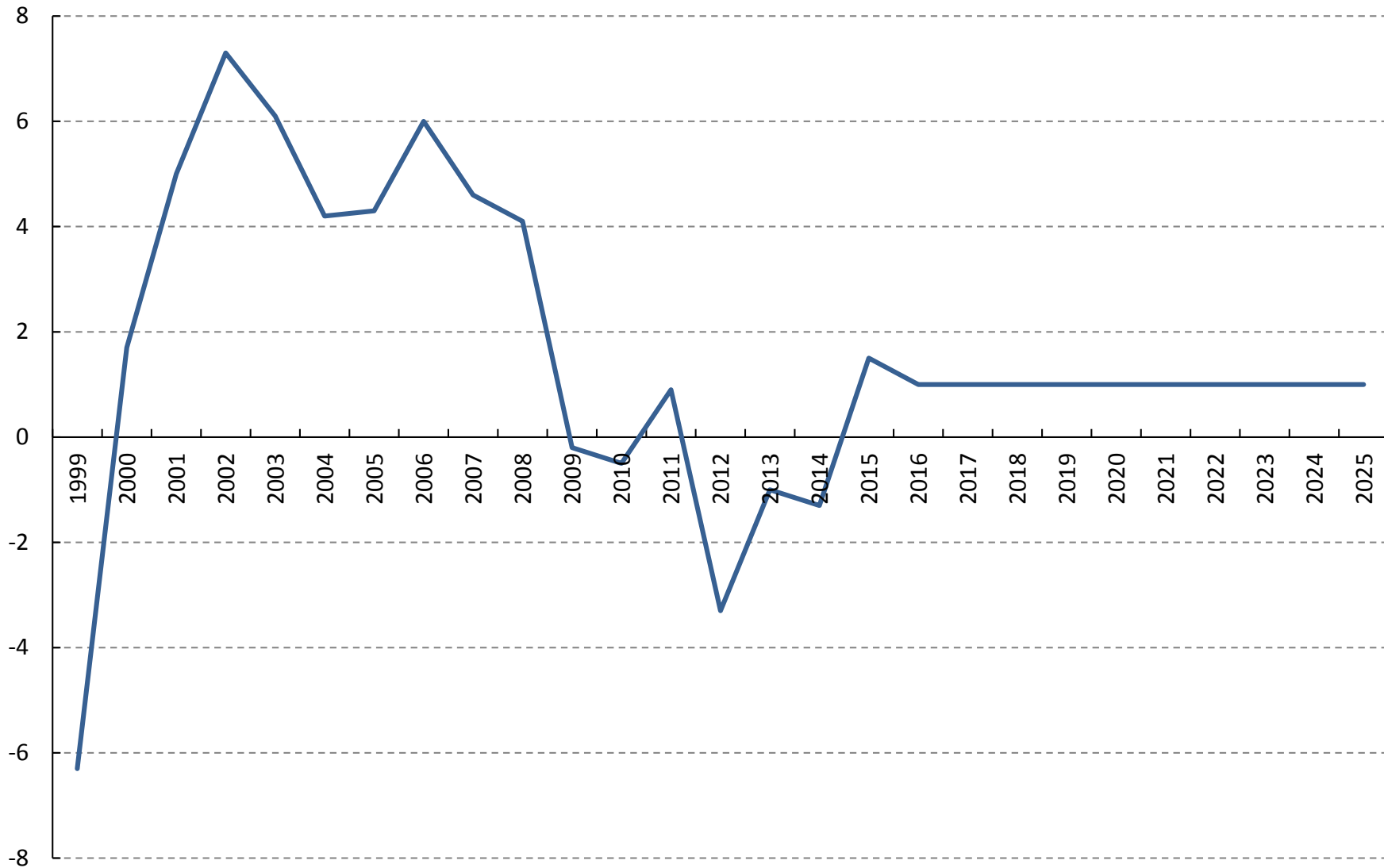
# 2011 Technical Panel

- The Panel recommends reconsideration of the current assumption that growth in per capita home health utilization will rapidly decline from recent historical levels to zero percent per year for the balance of the short-range period. In view of past trends, the Panel believes an ultimate growth rate of 1 percent per year would be more appropriate.

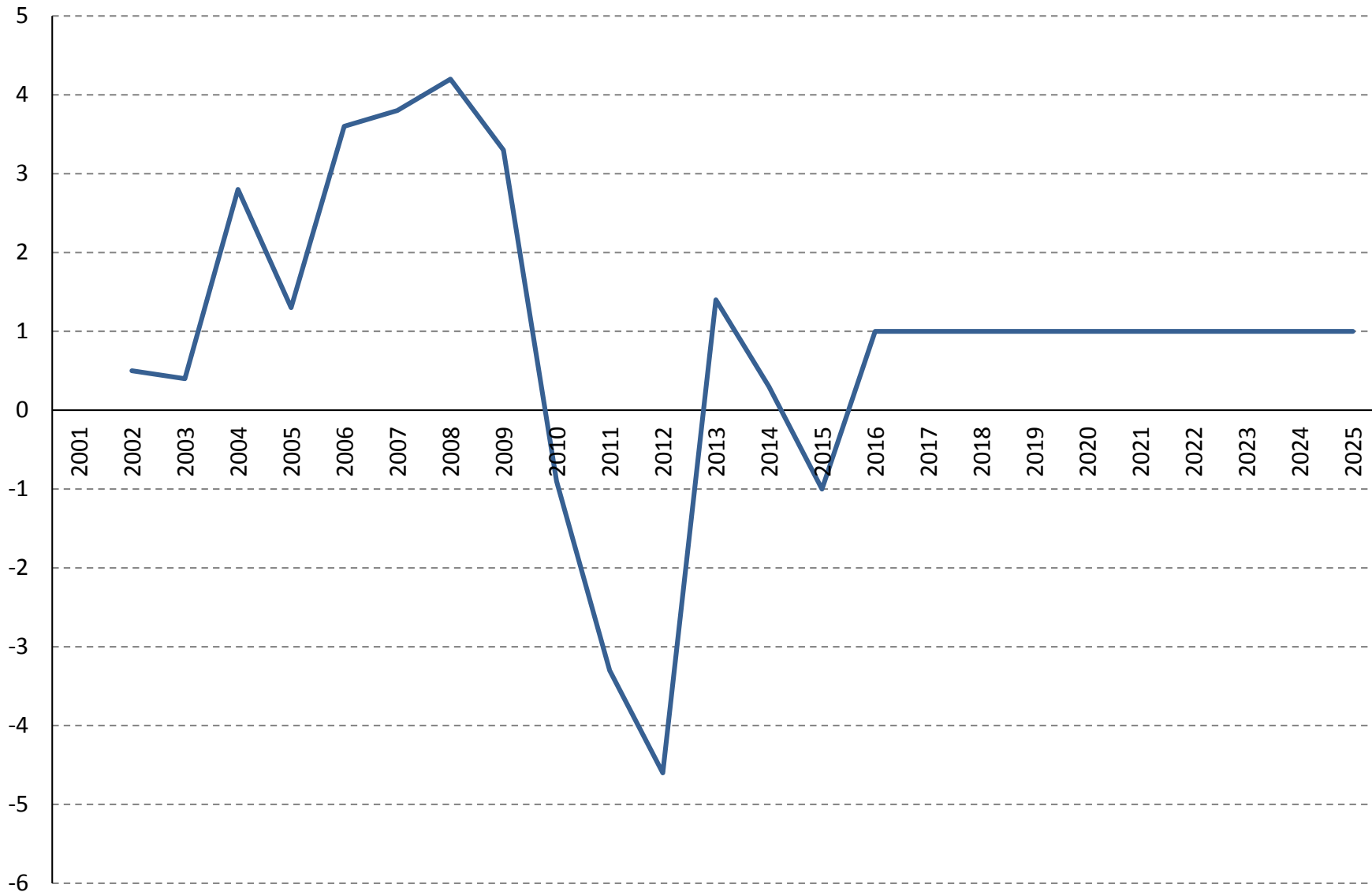
# Hospital Utilization



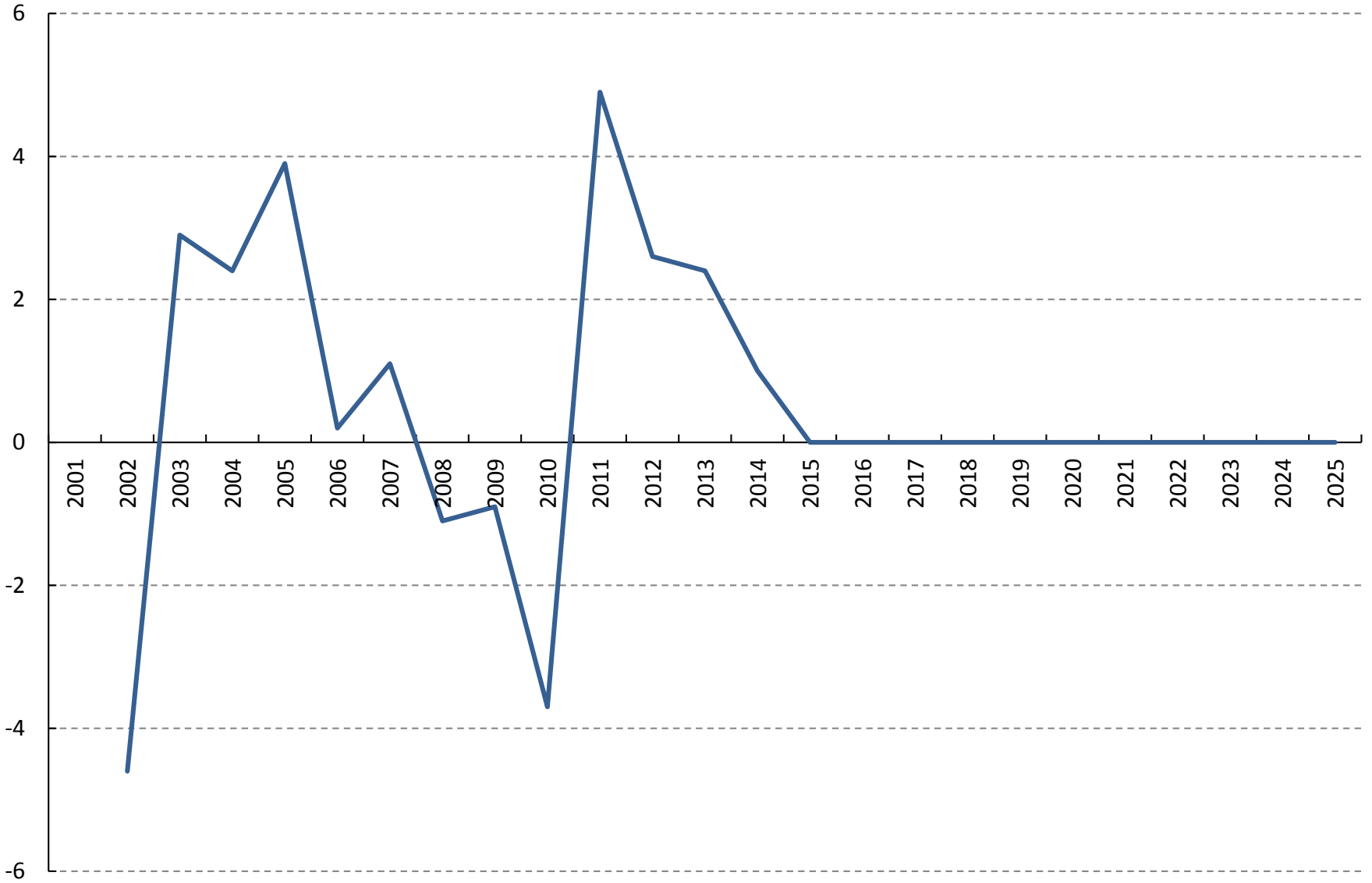
# SNF Utilization



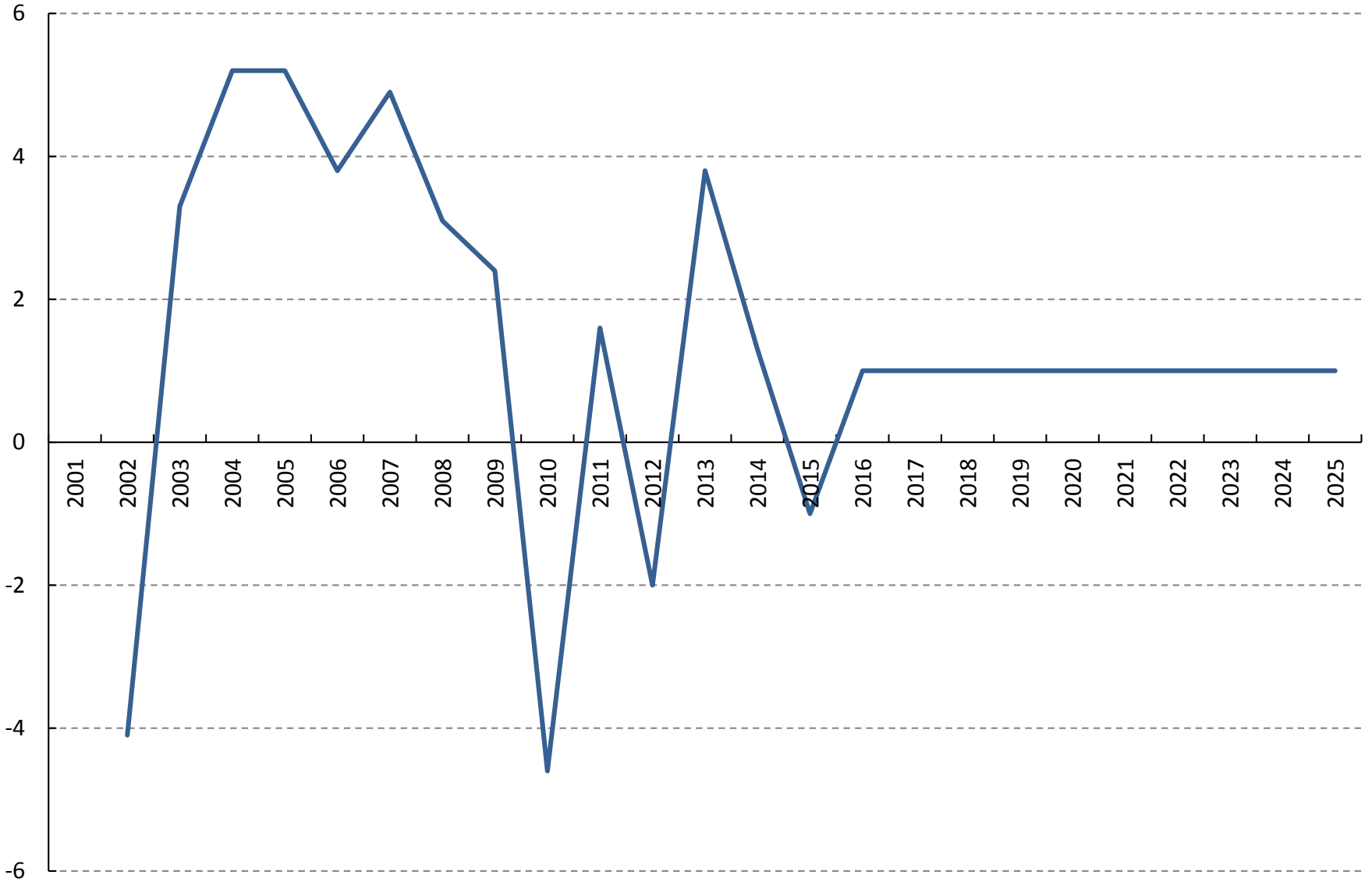
# HHA Utilization



# Episode/Visit



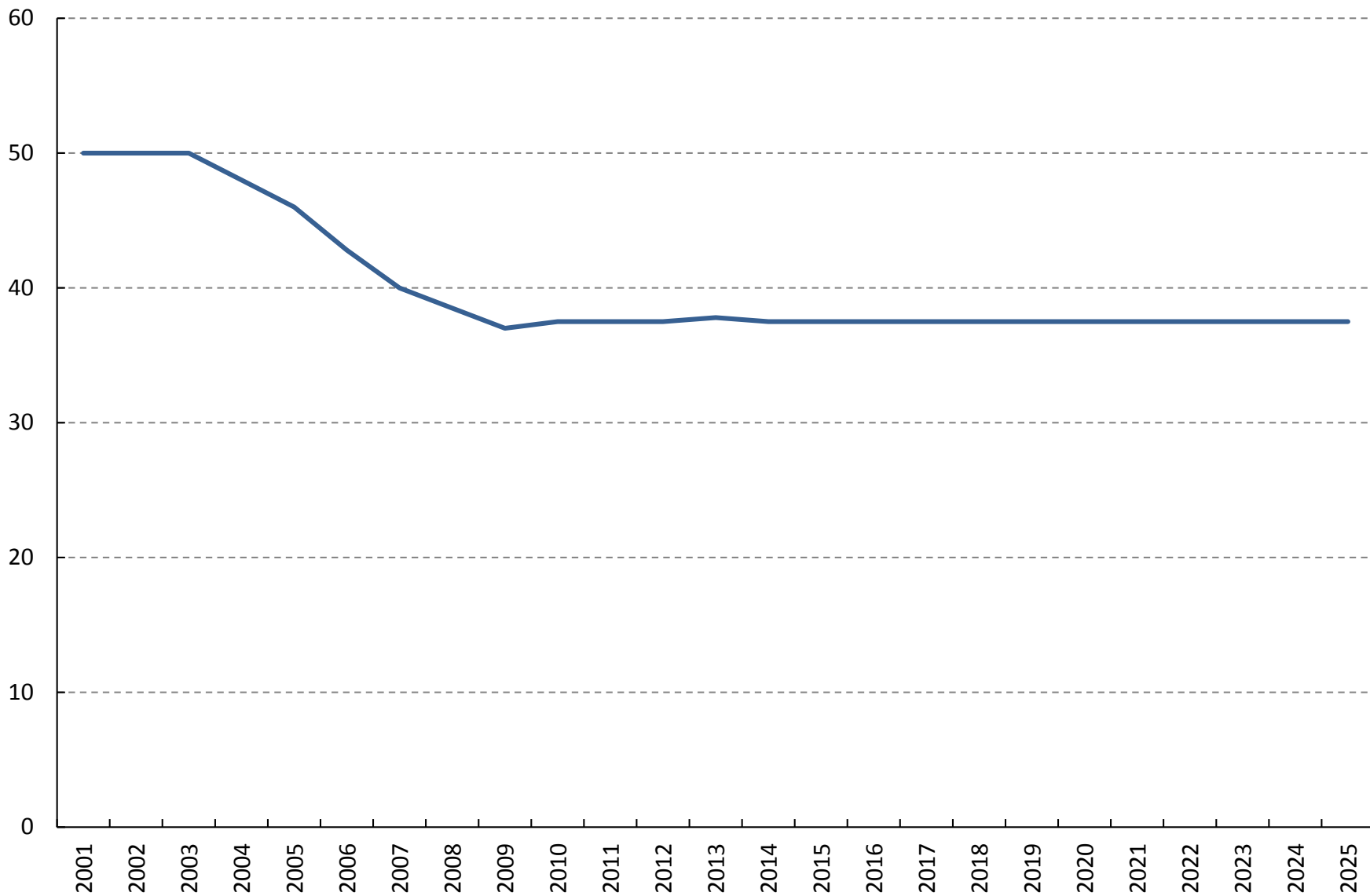
# HHA Episode Utilization



# 2011 Technical Panel

- The Panel recommends that the Trustees and OACT continue to monitor the home health percentage shares of Part A and Part B expenditures and adjust assumed future shares as necessary as CMS expands its program-integrity efforts and as the cap on outlier payments affects expenditures.

# HHA Part A %





# Hospice Residual

