ABSTRACT. Home health care in the United States is highly developed involving, for example, complex therapies and durable medical equipment. Access to home care has been shaped by government reimbursement policies requiring recipients to be homebound and in need of intermittent services under medical direction. Due to strict and extensive documentation for reimbursement the Medicare regulatory structure has stifled innovation in the field of home care. Other factors affecting the provision and growth of home care services include the Joint Commission on Accreditation of Health Care Organizations, changes in hospital reimbursement policies, and the role of physicians in integrating and coordinating home care services.

Key Words: Diagnostic Related Group (DRG), reimbursement, home health care, Medicare regulations

The general assumption among health care providers is that patients prefer to receive care in their own homes. The experience of hospitalization, no matter how excellent the care received, cannot match that of being surrounded by the comforts of one's own home. Familiar surroundings, animals, people, and things, all help the course of illness to be a bit more bearable. More importantly the type of care required is often more custodial than skilled in nature. Despite all the high tech advances we have made in medicine, the bulk of real care needs continues to be custodial in nature.

MARKET SEGMENTS AND THEIR INTEGRATION

Home health care in the United States is traditionally associated with home care nurses. Specifically, the public thinks of home care as being delivered through either a Visiting Nursing Association or a Medicare Certified Agency. Both of these views are correct; however, a broader conception of home health care involves viewing the system as composed of three market segments.

Home Health Care Professionals

The first segment consists of home health care professionals. In addition to home care nurses, these professionals include physical, occupational, and speech therapists, medical social workers, and home health aides. Both professionals and paraprofessionals are reimbursed through the Medicare program as well as by Medicaid and commercial insurance carriers. In the United States insurance reimbursement drives the health care delivery system and has been instrumental in the development of home health care.
Infusion Therapy

A second segment of the home care market is infusion therapy. An infusion therapy provider is basically a pharmacy with associated nursing, delivery and reimbursement services. Infusion therapy involves the compounding and administration of intravenous medications and formulations such as total parenteral nutrition. The nurses employed in the infusion therapy program are proficient in the delivery of solutions. This program requires nurses well versed in the care and management of state-of-the-art central venous catheters and other high technology devices for the delivery of solutions. Infusion therapy providers are reimbursed under Part B of Medicare as well as by Medicaid and private payors.

Durable Medical Equipment/Respiratory Therapy

The third segment of the home care market is durable medical equipment and respiratory therapy. These services are product-focused and only minimally involve service providers. One such provider is the respiratory therapist. The program is reimbursed under Part B of Medicare as well as Medicaid and private insurance companies. The limitation on service is directly related to the lack of reimbursement for the service component. These three segments as well as hospice care reasonably describe the full range of services involved in home care in the United States.

Types of Providers

Home health care is provided by many types of providers, including governmental, non-profit, for-profit, and proprietary. Infusion and respiratory therapy/durable medical equipment companies are either for-profit or non-profit. All of these services may be provided in hospital operated or free-standing settings. In the United States, different providers deliver these services even though the patient relies upon all three programs to meet his needs. For example, a patient receiving home health care might need the services of a registered nurse for wound care, oxygen from a respiratory company, and an intravenous antibiotic from an infusion company.

The integration of these three services is ideally accomplished at a single coordination point. To a large extent this type of coordination, including that for care provided after discharge, occurs in hospitals. In the future, more will occur in the outpatient setting.

UNITED STATES GOVERNMENTAL INFLUENCE ON CARE

The governmental reimbursed programs are generally quite rigid and strongly limit the program creativity that is possible through home health care. The private pay and commercial pay markets have taken the lead in forging