Trella HEALTH

2025 EDITION

Post-Acute Care Industry Trend Report

TrellaHealth.com | info@trellahealth.com

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ABOUT OUR DATA SOURCES

As one of only a few companies in the country deemed an Innovator under its Virtual Research Data Center Program by the Centers for Medicare and Medicaid Services, Trella Health has access to 100% of Medicare Part A and Part B claims and Medicare Advantage data. The findings presented in this report were derived from Medicare FFS claims data through 2024 Q4, Medicare Advantage claims data through 2022 Q4, Medicare Advantage Enrollment by Contract and State, and Monthly Medicare Enrollment data published by CMS through February 2025.

A Note from Scott Tapp

CEO, TRELLA HEALTH

"As the healthcare industry grows increasingly complex, Trella remains focused on delivering clarity through trusted, comprehensive insights — empowering better decision-making and stronger outcomes across the care continuum."

At Trella Health, we remain grounded in a simple but powerful belief: better data leads to better healthcare. As the healthcare industry grows increasingly complex, Trella remains focused on delivering clarity through trusted, comprehensive insights — empowering better decision-making and stronger outcomes across the care continuum.

This year's *Post-Acute Care Industry Trend Report* offers a view of national and state-level market dynamics and patient trends. It leverages Trella Health's unique access to the most recent data available from the Centers for Medicare & Medicaid Services — including Medicare Part A and B data and Medicare Advantage (MA) enrollment and admissions patterns — alongside perspectives from leaders across the industry.

In the report, you'll find trends in discharge behavior, adherence, and utilization within home health, hospice, and skilled nursing. We also examine emerging policy shifts — including the proposed TEAM model — and explore how organizations are adapting to challenges in staffing, reimbursement, value-based care, and the growing influence of Medicare Advantage.

NOTABLE INSIGHTS FROM THE 2025 REPORT INCLUDE:

Home health's share of FFS inpatient discharges rose for the first time since 2020

In 2024 Q4, 22.6% of inpatient discharges included a home health referral — up from 22.1% the year prior and the first rise since 2020.

Hospice admissions see strongest growth since the pandemic

Total admissions rose 3.7% between 2023 (1.55M) and 2024 (1.61M), with over 50% of Medicare mortalities now occurring on hospice.

PPO enrollment growth signals potential headwinds for home health

Between 2023 and 2024, enrollment in Preferred Provider Organization (PPO) plans — which typically utilize home health services at lower rates than Health Maintenance Organization (HMO) plans — rose 19.8%, while HMO enrollment grew by just 4.3%.

MA continues to reshape the landscape

As of February 2025, 55.4% of Medicare beneficiaries are enrolled in Medicare Advantage, with 30 states now above 50% penetration.

State-by-state variation in utilization remains stark

Home health FFS utilization ranges by 25.1 percentage points across states, while skilled nursing varies by 22.6 points — highlighting persistent disparities in discharge practices and access to post-acute care.

Adherence drives value-based outcomes

In 2024 Q3, patients who adhered to home health discharge instructions had a 30-day readmission rate of 12.7%, compared to 15.1% for those who did not — a 2.4-point gap that underscores the impact of timely, appropriate care transitions.

We hope this year's report serves as a valuable resource for your planning, conversations, and decision-making. At Trella Health, we continue to expand our datasets and analytics to bring enhanced visibility across the care continuum. These investments reflect our ongoing commitment to delivering meaningful insights that drive smarter strategies and lasting change in healthcare.

As always, we welcome your feedback on how Trella can better support your organization's goals.

Sincerely,

Scott Tapp
scott@trellahealth.com

Voices of Experience

Post-Acute Care Leaders on Trends, Challenges, and Opportunities

To ensure a comprehensive understanding of the current post-acute care landscape, we supplemented the data presented in this report with the perspectives and insights from a select group of post-acute care (PAC) leaders.

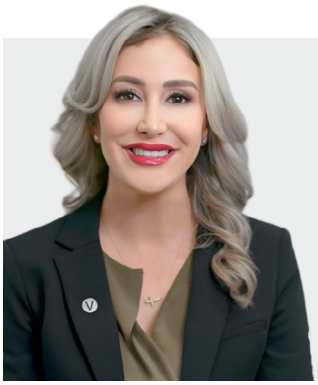
Their voices offer a valuable addition to quantitative analysis, providing a deeper understanding of the qualitative impact of these trends and the strategies leaders are employing to navigate the changing landscape.

Theme 1: Value-Based Care Preparedness: Building the Infrastructure for Demonstrable Care

Post-acute care providers are under growing pressure to participate in value-based payment models. Many organizations are ramping up their clinical, operational, and data infrastructure to effectively demonstrate outcomes and manage risk. Preparing for value-based care requires investment in care coordination, quality reporting, and population health strategies — alongside cultural shifts that prioritize long-term outcomes for patients and families.

RUSS KRENGEL, CEO, KINDFUL HEALTH

"We start with process measures but aim for excellence in both processes and outcomes, anchored by direct customer feedback. This approach shapes everything we do — from staff training to technology investments — and helps us thrive in a rapidly evolving VBC environment."



ERIKA GAUDIO, EXECUTIVE VP OF SALES AND MARKETING, VITAS HOSPICE CARE

"Our early investment in an enterprise data warehouse and evidence-based education — both internally and externally — gives us a strong foundation to meet the evolving needs of patients and partners. These tools support visibility, alignment, and quality outcomes across the care continuum."

JOHN WAGNER, CEO, ADVANTAGE CARE

"Value-based care means more than just meeting benchmarks — it's about integrating care coordination and social determinants of health into every patient interaction. We invest heavily in education and partnerships to create holistic care experiences that truly lower costs and improve outcomes."

SABINE BRENT, DIRECTOR OF REFERRAL SERVICES, SENTARA HOME HEALTH AND HOSPICE

"As we've been preparing for value-based care, our approach is grounded in three areas: clinician education, patient engagement, and performance monitoring. Everything from timely initiation to chronic condition management is aligned to CMS quality metrics."

CAROLYN WHEAT, VP OF BUSINESS DEVELOPMENT, WELL CARE HEALTH

"We're partnering closely with our hospital partners — understanding their challenges, aligning around access issues, and maintaining regular meetings to ensure our services support their value-based goals. The more we know about the challenges they have with access to care, the easier it is for us to build a model that's actually functional in a value-based environment."

Theme 2: Staffing Challenges Persist: Recruiting and Retaining Talent with Innovative Solutions

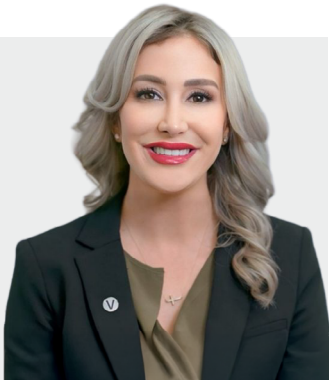
While some pandemic-era staffing pressures have eased, the long-term workforce shortage in post-acute care persists. Recruiting and retaining talent remains a top challenge as burnout and wage pressures continue to impact workforce stability. Providers are increasingly adopting innovative strategies such as career pathway programs, flexible scheduling, digital tools, and career growth and training to attract, support, and retain high-performing staff in a competitive labor market.

TRINA LANIER, CHIEF GROWTH OFFICER, CHOICE HEALTH AT HOME

"We believe attracting and retaining top talent starts with being the 'employer of choice.' That means cultivating an inclusive culture, offering career growth, and supporting work-life balance to meet the unique needs of caregiving professionals."

RUSS KRENGEL, CEO, KINDFUL HEALTH

"Staff shortages persist, but we're tackling them by adopting emerging AI tools that have voice dictation features. Though still maturing, these technologies show promise to reduce documentation burdens and prevent burnout."



ERIKA GAUDIO, EXECUTIVE VP OF SALES AND MARKETING, VITAS HOSPICE CARE

"VITAS has proactively mitigated staffing shortages through long-term retention strategies, including internal leadership development, tuition support, and ongoing education. These efforts help us maintain a stable, skilled workforce that consistently delivers exceptional care."

JOHN WAGNER, CEO, ADVANTAGE CARE

"Addressing staffing challenges means being creative with recruitment, including partnering with local educational institutions and offering flexible scheduling. We focus on cultivating a team committed to our mission, which helps reduce turnover."

SHEILA CLARK, PRESIDENT AND CEO, CALIFORNIA HOSPICE AND PALLIATIVE CARE ASSOCIATION

"We're hearing from our members that staffing remains their number one concern. Recruiting is tough, but retention is even harder — and it's forcing hospices to think more creatively about flexibility, career ladders, and reducing burnout. Leadership must model compassion not only for patients but for their teams. That human-centered leadership is what will differentiate the organizations that retain great staff from those that don't."

Theme 3: Reimbursement Uncertainty: Navigating Payment Headwinds and Regulatory Complexities

Reimbursement remains a central challenge for post-acute care providers. Flat or declining rates from Medicare Advantage and Medicaid, alongside regulatory shifts and inflation-driven cost increases, have intensified financial stress. Providers are responding by strengthening cost-control measures, optimizing operations, and advocating for payment reform. However, the need for sustainable reimbursement models remains a pressing concern across the sector.

RUSS KRENGEL, CEO, KINDFUL HEALTH

"We're preparing for increased CMS scrutiny by building robust, data-driven compliance programs that not only meet regulatory demands but demonstrate superior care. This dual focus protects reimbursement and advances patient outcomes."

JOHN WAGNER, CEO, ADVANTAGE CARE

"Navigating reimbursement changes requires strategic payer engagement. We focus on aligning our care models with payer expectations around cost containment and quality, enabling better contract negotiations."

SABINE BRENT, DIRECTOR OF REFERRAL SERVICES, SENTARA HOME HEALTH AND HOSPICE

"Every year we prepare for tighter margins and potential payment reductions. Our focus is on streamlining operations and shifting administrative tasks away from clinicians so we can continue to meet quality benchmarks without sacrificing care."

CAROLYN WHEAT, VP OF BUSINESS DEVELOPMENT, WELL CARE HEALTH

"With the proposed rule, we're expecting a 6% cut. At this point, it's about diving into our operational efficiencies — how we staff, how we manage visits and caseloads — because if the cut goes through, we'll have to do more just to stay even."

SHEILA CLARK, PRESIDENT AND CEO, CALIFORNIA HOSPICE AND PALLIATIVE CARE ASSOCIATION

"The financial pressures are real. Providers are contending with stagnant reimbursement rates while costs keep rising — from wages to supplies. At the same time, many are expected to meet increasingly complex documentation and compliance demands. CMS is signaling a more data-driven approach to oversight. That means providers need to double down on data integrity, audit readiness, and cost efficiency — not reactively, but as part of their long-term sustainability strategy."

Theme 4: Strategic Payer Engagement: Evolving Beyond Contracts to Partnerships

As Medicare Advantage enrollment grows, relationships between post-acute providers and payers are becoming more integral — and more critical. Medicare Advantage contracts, originally based on fee-for-service reimbursement models, are transitioning towards value-based outcomes. Providers are learning to navigate opaque authorization processes, negotiate fair rates, and co-develop models that align incentives for quality and cost-effectiveness.

JOHN WAGNER, CEO, ADVANTAGE CARE

"Collaborating closely with payers enables us to demonstrate our impact on reducing hospital readmissions and improving chronic care management, which strengthens our negotiating position."

SABINE BRENT, DIRECTOR OF REFERRAL SERVICES, SENTARA HOME HEALTH AND HOSPICE

"We're engaged in monthly performance reviews with large payers to identify gaps and streamline workflows. This level of transparency helps us become a preferred provider — and strengthens our negotiating position."

CAROLYN WHEAT, VP OF BUSINESS DEVELOPMENT, WELL CARE HEALTH

"We've developed a payer alignment team that includes operations, business development, compliance, population health, and finance — because we all have a stake in resolving issues by payer and market."

SHEILA CLARK, PRESIDENT AND CEO, CALIFORNIA HOSPICE AND PALLIATIVE CARE ASSOCIATION

"Medicare Advantage is reshaping the hospice landscape. Providers that succeed in this new environment are the ones that engage with payers as strategic partners, not just contract administrators. Hospices must be proactive in demonstrating their value — showing how they reduce total cost of care, prevent unnecessary hospitalizations, and deliver high-quality end-of-life care. That's what gets a seat at the table with payers."

Theme 5: Artificial Intelligence in Action: Harnessing AI in Post-Acute Care Delivery

Artificial intelligence is moving from hype to reality in post-acute care. From workflow automation to natural language processing, AI is beginning to reshape how care is planned, delivered, and documented. Providers experimenting with AI are seeing improvements in efficiency, accuracy, and patient engagement — but success requires strategic alignment, ethical safeguards, and thoughtful implementation to ensure technology enhances rather than disrupts care.

TRINA LANIER, CHIEF GROWTH OFFICER, CHOICE HEALTH AT HOME

"We're proactively pursuing AI to support documentation and care coordination, recognizing its potential to reduce burden and increase accuracy. It's a balance of innovation and prudence."

RUSS KRENGEL, CEO, KINDFUL HEALTH

"AI chart review has become a powerful compliance tool. Our nurse-led AI tuning ensures our proprietary quality standards are met and risks are identified early. We believe AI will soon transform every department."

JOHN WAGNER, CEO, ADVANTAGE CARE

"We're actively exploring AI across care management and operational analytics to enhance patient stratification and optimize resource allocation."

SHEILA CLARK, PRESIDENT AND CEO,
CALIFORNIA HOSPICE AND PALLIATIVE CARE ASSOCIATION

"We're not using AI in day-to-day operations yet, but the opportunity is enormous — predictive analytics for hospitalizations, route optimization, voice-enabled documentation. These are all areas ripe for transformation."

Medicare Advantage

National Medicare Advantage Penetration

KEY TAKEAWAYS

MA penetration hit 55.4%, but grew slower than previous years

As of February 2025, 55.4% of Medicare-eligible beneficiaries were enrolled in a Medicare Advantage (MA) plan, a 0.6 percentage point increase from 54.8% in 2024.

FFS enrollment held steady at 27.6M while MA continued to rise

Fee-For-Service (FFS) enrollment remained steady at 27.6 million between 2024 and February 2025. However, rising MA enrollment drove an increase in MA penetration.

MA penetration rate has grown 18.7 percentage points since 2017

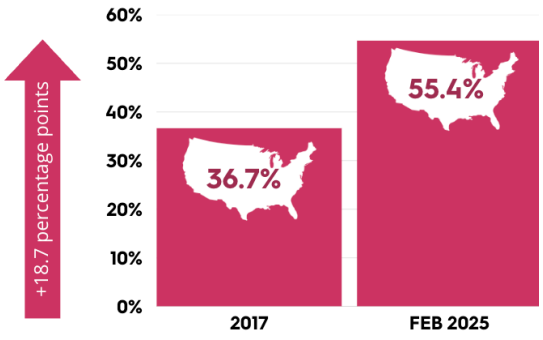
From 2017 to February 2025, MA penetration rate grew by 18.7 percentage points, from 36.7% to 55.4%, illustrating the long-term shift toward MA.

MEDICARE ADVANTAGE ENROLLMENT CONTINUES TO INCREASE, ALBEIT SLOWER THAN PREVIOUS DECADE

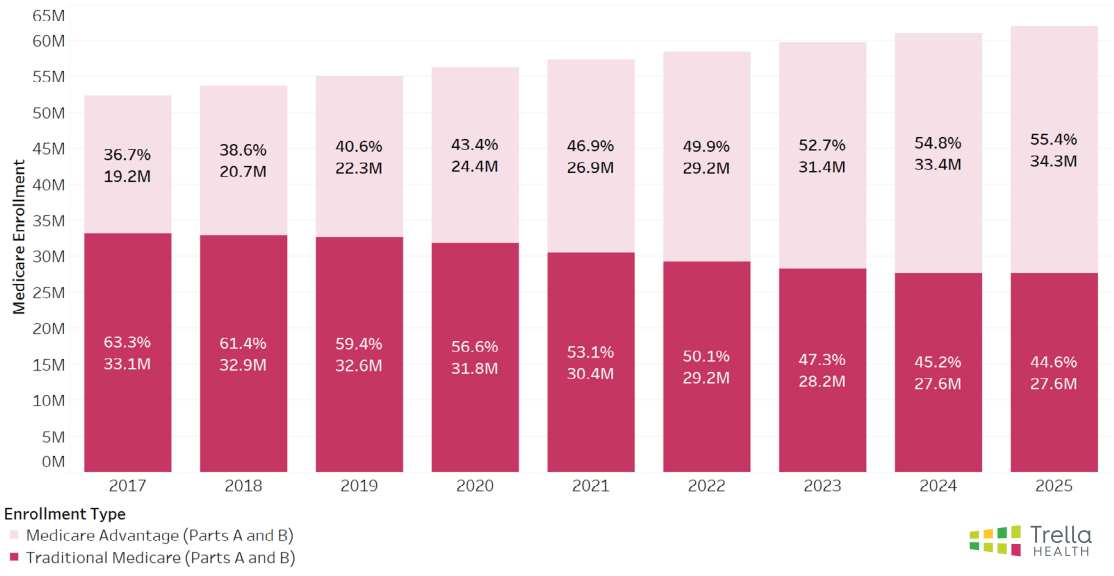
Between 2017 and 2024, MA enrollment grew by an average of 8.2% annually, with the fastest annual growth of 10.0% seen between 2020 and 2021. However, growth slowed to just 2.9% between 2024 and February 2025. Notably, for the first time since 2016, the year-over-year MA penetration percentage point increase was under 1%, while Traditional FFS Medicare enrollment showed a slight uptick of 0.2%.

Overall Medicare enrollment also decelerated, with a 1.7% increase between 2024 and February 2025, its lowest increase since 2016. Despite this recent slowdown, total Medicare enrollment rose by 18.4% between 2017 and 2025, from 52.3 million to 61.9 million: an average annual increase of 2.2%. This recent dip in growth may be a short-term anomaly due to incomplete annualized data, as an aging U.S. population indicates Medicare enrollment growth could soon return to historical patterns.

MA PENETRATION ECLIPSED THE MUCH-ANTICIPATED 50% MARK



NATIONAL MEDICARE-ELIGIBLE ENROLLMENT BY MEDICARE TYPE



Medicare Advantage

Medicare Advantage Penetration by State

KEY TAKEAWAYS

MA penetration rose in 45 states + DC, reflecting broad market gains

From 2024 to February 2025, MA penetration increased in 45 states and DC, ranging from a decline of 2.0 percentage points to an increase of 1.8 points.

5 states saw MA share rise over 3.1 percentage points year-over-year

Wyoming, Washington, Mississippi, North Dakota, and West Virginia led the nation in MA penetration growth between 2023 and 2024, increasing by more than 3.1 percentage points each.

30 states surpassed 50% MA penetration as of early 2025

By February 2025, 30 states had an MA penetration rate exceeding 50%, reflecting widespread growth across diverse geographic regions.

MEDICARE ADVANTAGE EXPANSION SLOWS, BUT CONTINUES ACROSS ALMOST ALL STATES

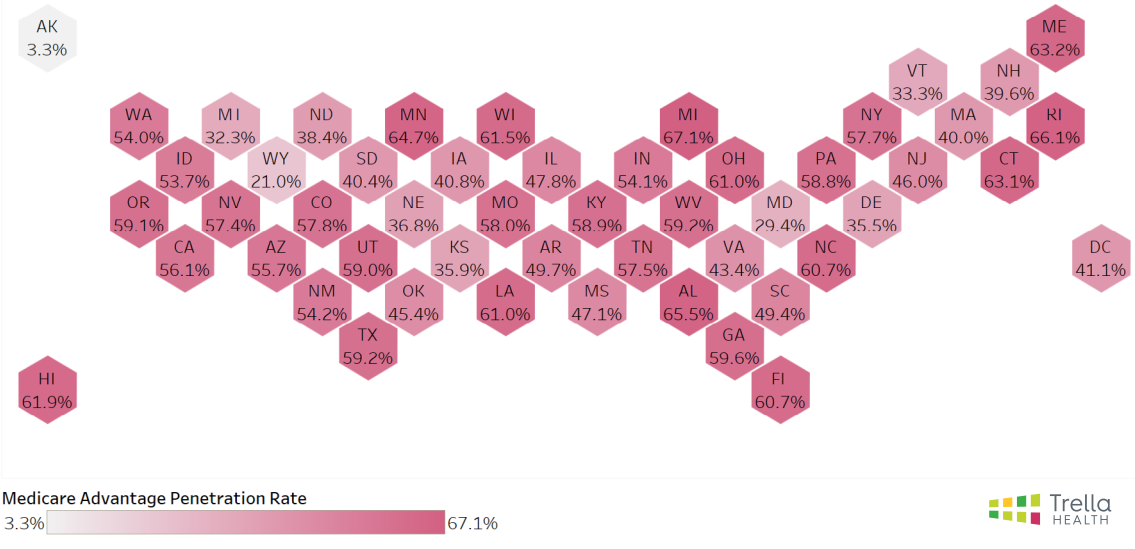
Between 2024 and February 2025, MA enrollment increased in 45 states and DC, continuing Medicare Advantage plans' broad expansion strategies. While overall MA penetration increased, the pace of increase across states was slower than in previous years.

From 2023 to 2024, all 50 states and DC experienced increases in MA penetration, with Wyoming seeing the highest gain at 4.9 percentage points. This sharp rise, despite Wyoming's low population, may reflect a strategic shift by MA plans toward rural areas. Conversely, Alaska saw the smallest increase, suggesting that rural market expansion strategies for MA plans are not uniformly implemented nationwide. Understanding which MA plans dominate local markets is crucial for home health and skilled nursing providers seeking favorable reimbursement contracts to showcase their value.

STATES WITH THE LARGEST PERCENTAGE POINT INCREASE IN MA PENETRATION RATES

State	2023	2024	% Point Increase
WY	14.6%	19.4%	4.9
WA	49.8%	53.5%	3.8
MS	42.1%	45.8%	3.6
ND	33.9%	37.4%	3.5
WV	54.5%	57.5%	3.1

MEDICARE ADVANTAGE PENETRATION BY STATE, FEBRUARY 2025



Medicare Advantage

Medicare Advantage PAC Usage by Plan Type

KEY TAKEAWAYS

PPO enrollment growth jumped 13.9% to 19.8%, HMO slowed to 4.3%

HMO plan enrollment growth slowed to 4.3% in 2024, compared to 8.2% between 2019 and 2020, while the number of active HMO plans declined by 4.1%. In contrast, PPO plans expanded — plan count and enrollment surged by 13.9% and 19.8%, respectively, between 2023 and 2024.

PPO home health usage was 7.0% vs. 7.7% for HMO plans in 2022

The shift in enrollment by plan type suggests that beneficiaries are increasingly favoring PPO plans for their flexibility and decentralized care model and may represent a headwind for HHAs in the future, as PPO enrollees use home health services at lower rates (7.0% vs. 7.7% for HMO plans in 2022).

Fewer new MA plans suggests focus on scaling existing enrollment

The number of MA plans is growing more slowly than enrollment, indicating that payers are focused on increasing enrollment within existing plans rather than launching new ones.

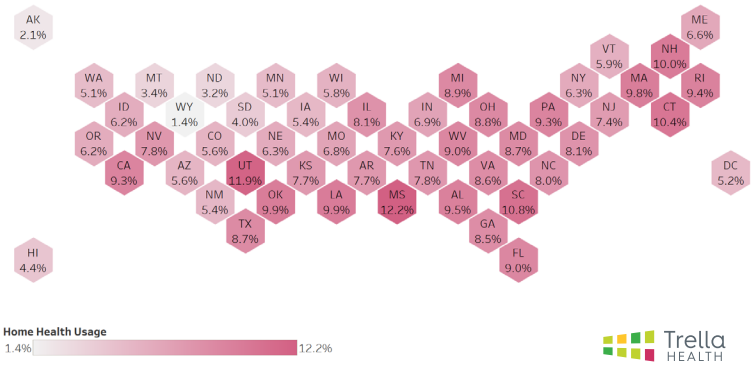
THE RISE OF PPOS: SHIFTING MA PLAN PREFERENCES ARE REDEFINING HOME HEALTH STRATEGY

While MA enrollment continues to climb, its composition is shifting. From 2020 to 2024, enrollment in PPO plans grew at an average annual rate of 15.3%, more than double the 6.3% growth rate for HMO plans. The divergence widened further in the most recent year, with PPO enrollment rising 19.8% compared to just 4.3% for HMOs. This growth trend is also reflected in plan availability: between 2023 and 2024, the number of HMO plans declined by 4.1%, while PPO plans grew by 10.3%.

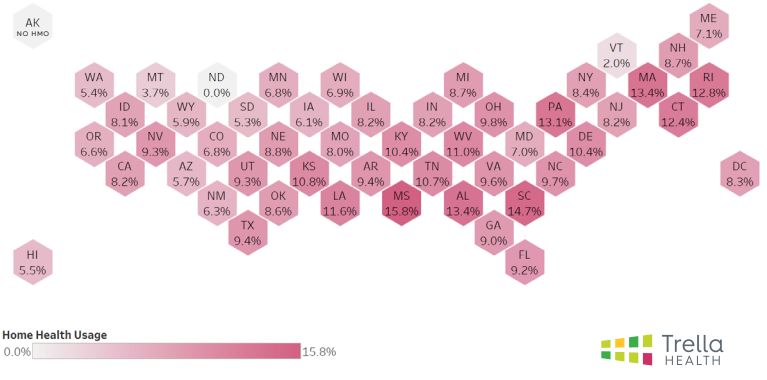
Though skilled nursing facility admission rates are nearly identical across plan types — 3.3% for HMO enrollees and 3.1% for PPO — there is a more pronounced difference in home health usage. In 2022, 7.7% of HMO enrollees were admitted to a home health agency, compared to just 7.0% of PPO enrollees. With PPO plans expanding more rapidly and generally showing lower rates of home health usage, this shift poses a challenge for home health agencies if MA beneficiaries continue to prefer PPO over HMO plans. Agencies must more effectively demonstrate their value to payers, referring physicians, and patients who navigate PPO networks with greater flexibility.

Comparatively, FFS home health usage in 2022 stood at 8.2%, higher than both HMO and PPO averages, though the national averages mask significant local variation. For example, in Utah, PPO plan enrollees used home health services at a higher rate (11.9%) than HMO enrollees (9.3%), reversing the national pattern of home health usage by plan type; emphasizing the need for HHAs to rely on localized market data rather than national benchmarks when planning growth strategies.

MEDICARE ADVANTAGE PPO PLAN HOME HEALTH ADMISSIONS PER ENROLLEE, 2022



MEDICARE ADVANTAGE HMO PLAN HOME HEALTH ADMISSIONS PER ENROLLEE, 2022



Medicare Advantage

National MA and FFS Enrollment by State and Year

MEDICARE ADVANTAGE ENROLLMENT (PARTS A & B) BY STATE AND YEAR

State	2022	2023	2024	FEB 2025
AK	2.6K	2.9K	3.1K	3.4K
AL	588.2K	629.9K	664.3K	680.3K
AR	247.2K	287.4K	305.8K	315.8K
AZ	676.5K	717.9K	754.5K	777.0K
CA	3203.3K	3365.4K	3511.0K	3598.3K
CO	474.1K	508.3K	537.1K	554.8K
CT	364.4K	393.0K	417.8K	435.6K
DC	26.5K	29.7K	31.8K	33.4K
DE	62.0K	70.9K	78.2K	81.6K
FL	2600.1K	2748.0K	2881.8K	2948.8K
GA	931.0K	1004.5K	1066.2K	1087.3K
HI	151.3K	158.8K	163.9K	166.5K
IA	206.9K	235.2K	254.6K	264.4K
ID	161.8K	177.8K	191.8K	200.7K
IL	880.3K	958.5K	1030.1K	1056.8K
IN	578.5K	634.7K	678.4K	702.1K
KS	162.5K	181.6K	196.0K	197.3K
KY	460.1K	499.9K	527.3K	540.9K
LA	456.9K	494.9K	523.9K	537.5K
MA	439.1K	480.9K	516.3K	530.3K
MD	208.6K	245.3K	275.5K	294.8K
ME	187.8K	203.8K	216.5K	223.7K
MI	1201.3K	1297.2K	1385.2K	1432.6K
MN	602.0K	646.2K	683.6K	703.7K
MO	609.7K	665.8K	705.9K	724.3K
MS	217.2K	249.1K	274.5K	284.6K
MT	63.4K	70.6K	77.2K	79.5K
NC	1033.4K	1142.8K	1233.2K	1284.0K
ND	37.7K	44.8K	50.6K	53.0K
NE	105.0K	120.0K	129.4K	131.8K
NH	95.6K	109.9K	119.4K	124.4K
NJ	625.7K	669.9K	712.0K	731.7K
NM	204.8K	219.9K	229.9K	231.7K
NV	266.5K	287.9K	305.9K	315.6K
NY	1813.4K	1923.0K	2040.7K	2090.1K
OH	1256.5K	1334.5K	1404.0K	1447.4K
OK	269.5K	301.1K	325.3K	336.9K
OR	470.2K	495.3K	516.7K	522.0K
PA	1394.4K	1480.5K	1560.8K	1614.6K
RI	126.3K	136.1K	143.7K	146.6K
SC	472.5K	517.8K	558.1K	574.8K
SD	56.3K	64.8K	71.3K	74.9K
TN	687.1K	738.4K	776.7K	796.9K
TX	2206.9K	2402.1K	2543.0K	2616.1K
UT	203.1K	223.3K	241.3K	253.6K
VA	533.1K	593.6K	643.3K	667.0K
VT	43.0K	49.6K	53.6K	51.2K
WA	617.7K	675.4K	741.5K	758.8K
WI	652.9K	703.7K	748.9K	772.1K
WV	208.0K	228.0K	243.2K	251.6K
WY	10.3K	16.7K	22.9K	25.2K

FEE-FOR-SERVICE ENROLLMENT (PARTS A & B) BY STATE AND YEAR

State	2022	2023	2024	FEB 2025
AK	95.2K	98.0K	100.7K	102.4K
AL	415.6K	388.7K	368.1K	359.0K
AR	364.4K	335.0K	325.1K	319.8K
AZ	636.0K	625.8K	621.0K	618.0K
CA	2718.0K	2690.7K	2691.8K	2815.4K
CO	418.9K	408.7K	404.9K	405.5K
CT	274.9K	262.7K	255.1K	255.2K
DC	52.2K	49.5K	48.4K	47.9K
DE	150.2K	148.4K	147.6K	148.1K
FL	2006.8K	1957.5K	1916.1K	1909.3K
GA	765.9K	734.7K	714.7K	737.5K
HI	105.2K	102.4K	101.6K	102.4K
IA	408.4K	392.4K	385.7K	384.0K
ID	184.2K	178.5K	175.5K	172.8K
IL	1225.3K	1182.9K	1151.0K	1154.7K
IN	651.5K	620.5K	602.2K	595.3K
KS	358.9K	350.0K	346.4K	352.4K
KY	426.6K	398.5K	384.1K	377.9K
LA	385.9K	363.0K	347.7K	343.2K
MA	820.4K	802.1K	791.0K	795.5K
MD	738.0K	722.3K	712.0K	706.6K
ME	148.2K	138.9K	133.3K	130.5K
MI	827.5K	770.9K	724.6K	703.4K
MN	410.8K	392.1K	383.5K	383.5K
MO	579.2K	544.7K	528.0K	524.8K
MS	365.7K	342.1K	325.3K	320.0K
MT	167.2K	165.8K	164.7K	166.3K
NC	954.9K	891.7K	850.1K	830.6K
ND	91.2K	87.4K	84.9K	85.0K
NE	233.4K	225.2K	223.0K	226.1K
NH	196.3K	189.8K	188.9K	189.6K
NJ	870.3K	858.9K	853.0K	859.5K
NM	201.6K	194.1K	191.5K	195.6K
NV	249.1K	240.7K	236.2K	234.2K
NY	1599.8K	1561.7K	1524.4K	1534.1K
OH	1002.2K	966.6K	940.0K	923.8K
OK	438.7K	420.4K	409.1K	405.8K
OR	375.4K	363.8K	356.9K	361.1K
PA	1211.8K	1174.7K	1143.4K	1131.2K
RI	81.4K	77.3K	74.6K	75.0K
SC	616.8K	600.8K	590.8K	589.5K
SD	117.9K	113.6K	111.0K	110.3K
TN	637.5K	609.9K	596.0K	589.7K
TX	1900.9K	1822.7K	1795.1K	1799.3K
UT	194.4K	185.9K	180.5K	176.3K
VA	914.1K	887.0K	872.1K	871.4K
VT	102.7K	99.3K	98.1K	102.4K
WA	712.0K	681.6K	643.4K	646.1K
WI	523.4K	500.9K	486.3K	483.4K
WV	207.5K	190.6K	179.5K	173.3K
WY	101.1K	97.8K	94.8K	94.4K

MEDICARE ADVANTAGE PENETRATION RATE BY STATE AND YEAR

State	2022	2023	2024	FEB 2025
AK	2.7%	2.9%	3.0%	3.3%
AL	58.6%	61.8%	64.3%	65.5%
AR	40.4%	46.2%	48.5%	49.7%
AZ	51.5%	53.4%	54.9%	55.7%
CA	54.1%	55.6%	56.6%	56.1%
CO	53.1%	55.4%	57.%	57.8%
CT	57.0%	59.9%	62.1%	63.1%
DC	33.7%	37.5%	39.6%	41.1%
DE	29.2%	32.3%	34.6%	35.5%
FL	56.4%	58.4%	60.1%	60.7%
GA	54.9%	57.8%	59.9%	59.6%
HI	59.0%	60.8%	61.7%	61.9%
IA	33.6%	37.5%	39.8%	40.8%
ID	46.8%	49.9%	52.2%	53.7%
IL	41.8%	44.8%	47.2%	47.8%
IN	47.0%	50.6%	53.0%	54.1%
KS	31.2%	34.2%	36.1%	35.9%
KY	51.9%	55.6%	57.9%	58.9%
LA	54.2%	57.7%	60.1%	61.0%
MA	34.9%	37.5%	39.5%	40.0%
MD	22.0%	25.4%	27.9%	29.4%
ME	55.9%	59.5%	61.9%	63.2%
MI	59.2%	62.7%	65.7%	67.1%
MN	59.4%	62.2%	64.1%	64.7%
MO	51.3%	55.0%	57.2%	58.0%
MS	37.3%	42.1%	45.8%	47.1%
MT	27.5%	29.9%	31.9%	32.3%
NC	52.0%	56.2%	59.2%	60.7%
ND	29.3%	33.9%	37.4%	38.4%
NE	31.0%	34.8%	36.7%	36.8%
NH	32.7%	36.7%	38.7%	39.6%
NJ	41.8%	43.8%	45.5%	46.0%
NM	50.4%	53.1%	54.6%	54.2%
NV	51.7%	54.5%	56.4%	57.4%
NY	53.1%	55.2%	57.2%	57.7%
OH	55.6%	58.0%	59.9%	61.0%
OK	38.1%	41.7%	44.3%	45.4%
OR	55.6%	57.6%	59.1%	59.1%
PA	53.5%	55.8%	57.7%	58.8%
RI	60.8%	63.8%	65.8%	66.1%
SC	43.4%	46.3%	48.6%	49.4%
SD	32.3%	36.3%	39.1%	40.4%
TN	51.9%	54.8%	56.6%	57.5%
TX	53.7%	56.9%	58.6%	59.2%
UT	51.1%	54.6%	57.2%	59.%
VA	36.8%	40.1%	42.4%	43.4%
VT	29.5%	33.3%	35.3%	33.3%
WA	46.5%	49.8%	53.5%	54.0%
WI	55.5%	58.4%	60.6%	61.5%
WV	50.1%	54.5%	57.5%	59.2%
WY	9.2%	14.6%	19.4%	21.0%

Post-Acute Discharges

Inpatient Discharges by Post-Acute Care Instruction, 2019 Q1 – 2024 Q4

KEY TAKEAWAYS

PAC instruction rates recovered to 52.9%, matching 2022 levels

In the 2024 Q4 reporting period, 52.9% of inpatient discharges were instructed to enter another care setting, matching the level observed in the 2022 Q4 reporting period and correcting from 52.1% in the 2023 Q4 reporting period.

HHA drove PAC instructions increase, up 0.5 percentage points

The 0.8 percentage point increase in the 2024 Q4 reporting period was primarily driven by a 0.5 percentage point rise in discharge instructions to home health, while other settings showed minimal change.

Discharges to SNF stayed at 20.3%, 1.0 percentage point below pre-COVID

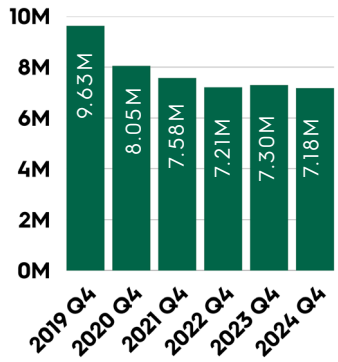
Despite a slight increase in discharge instructions to skilled nursing of 0.2 percentage points between the 2023 Q4 and 2024 Q4 reporting periods, this metric remains 1.0 percentage points below pre-pandemic levels, at 20.3%.

STABILIZING DISCHARGE TRENDS SIGNAL SHIFTING POST-ACUTE PREFERENCES

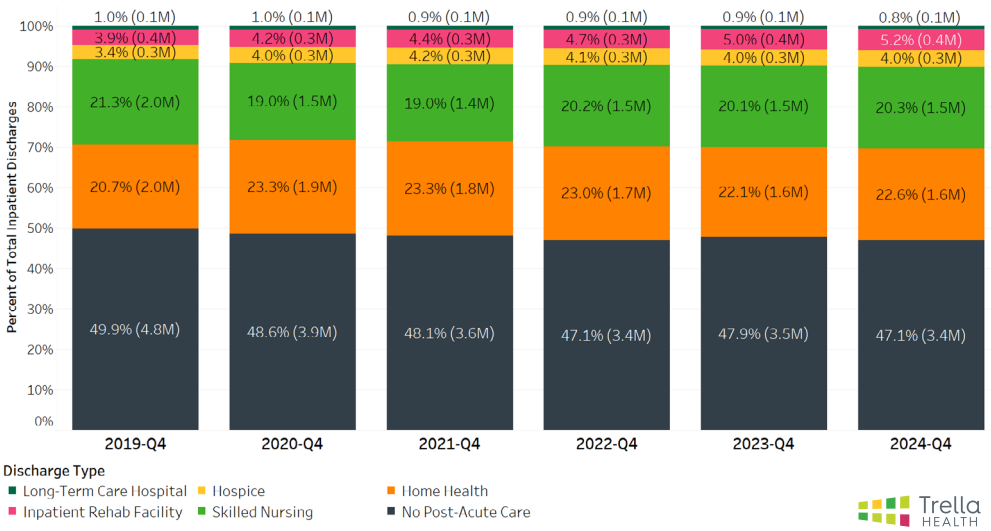
Discharges to post-acute care agencies as a percentage of total inpatient discharges increased by 0.8 percentage points between the 2023 Q4 and 2024 Q4 reporting periods, from 52.1% to 52.9%.

This increase signals a potential rebound following transitioning from the tumultuous pandemic era. Most of this gain came from home health referrals, which rose by 0.5 percentage points, while other care settings remained relatively flat. These changes appear to correct an anomalous dip during 2023, likely linked to heightened inpatient activity following the easing of pandemic-related inpatient and post-acute care usage by Medicare beneficiaries. The relative consistency in discharge instructional rates suggests more stabilization in care transition patterns, though these rates remain inconsistent to pre-pandemic norms, hinting at potential shifts in the future as lingering beneficiary preferences for at-home care continue to impact instructional dispositions.

TOTAL FFS INPATIENT DISCHARGES BY FOUR-QUARTER REPORTING PERIOD



ANNUAL FFS INPATIENT DISCHARGE INSTRUCTIONS BY POST-ACUTE CARE DESTINATION



Post-Acute Discharges

PAC Adherence and Instructional Variation by State, 2019 Q1 – 2024 Q4

KEY TAKEAWAYS

Percentage of inpatient discharges with PAC instructions up in 45 states

Between the 2023 Q4 and 2024 Q4 reporting periods, 43 states plus DC experienced increases in inpatient discharges with post-acute care instructions, with 45 states and DC seeing growth over the past five years since 2019 Q4.

Inpatient discharges instructed to PAC ranged by 40.3 percentage points

The percentage of inpatient discharges instructed to enter another care setting by state varied between 25.4% to 65.7% in the 2024 Q4 reporting period, indicating inconsistent access to post-acute providers and opportunities for PAC expansion.

HHA adherence hit 71.1%, topping pre-COVID; hospice and SNF fell

Post-acute care adherence rates in the 2024 Q4 reporting period were: home health at 71.1% (above pre-pandemic levels), hospice at 90.8% (below pre-pandemic levels), and skilled nursing at 83.9% (below pre-pandemic levels).

HOME HEALTH ADHERENCE REBOUNDS AS STATE-LEVEL VARIATIONS REVEALS GROWTH OPPORTUNITIES

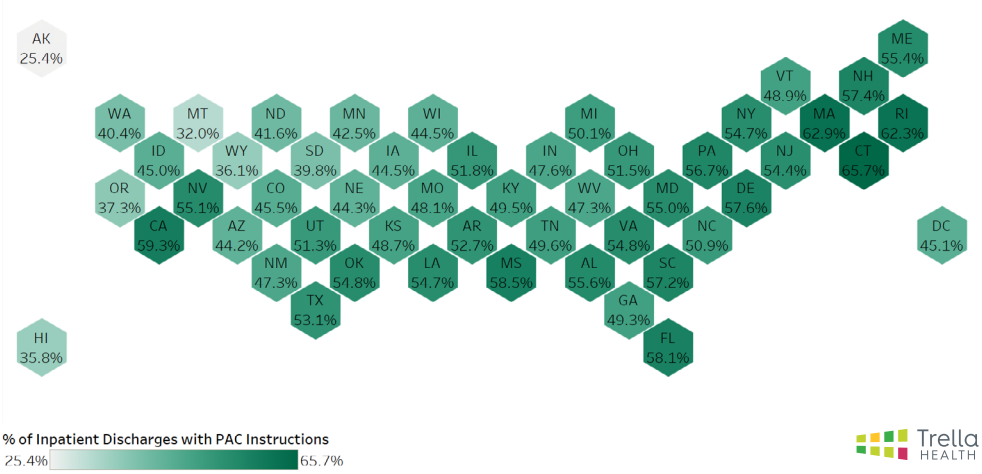
Home health adherence climbed above 71% in 2024 Q4, exceeding pre-pandemic levels and rebounding from a notable 3.1-point drop the previous year. This improvement may reflect fewer staffing challenges in 2024 compared to 2023, when agencies often had to turn away referrals due to shortages. While hospice adherence dipped below 91% for the first time since the pandemic, it still outpaces other care settings at 90.8%. Skilled nursing adherence also declined slightly between the 2023 Q4 and 2024 Q4 reporting periods, from 85.6% to 83.9%.

The consistency of these metrics suggests stabilization across the care continuum, but geographic variation highlights persistent opportunities for improvement. Greater collaboration between post-acute providers, hospitals, and families will be crucial for improving adherence, reducing readmissions, and supporting the shift toward value-based care.

ADHERENCE TO INPATIENT DISCHARGE INSTRUCTIONS BY DESTINATION AND FOUR-QUARTER REPORTING PERIOD

	2023 Q4	2024 Q4
HOME HEALTH	67.4%	71.1%
HOSPICE	92.0%	90.8%
SKILLED NURSING	85.6%	83.9%

PERCENT OF FFS INPATIENT DISCHARGES WITH PAC INSTRUCTIONS BY STATE



Post-Acute Discharges

FFS Inpatient Discharge Instructions by State and Reporting Period

PAC INSTRUCTIONS			
State	2022 Q4	2023 Q4	2024 Q4
AK	3.6K	3.9K	4.1K
AL	63.5K	61.9K	58.4K
AR	48.5K	47.2K	46.4K
AZ	59.4K	61.8K	64.6K
CA	348.8K	364.9K	387.2K
CO	38.8K	38.3K	37.7K
CT	50.9K	48.9K	48.2K
DC	11.0K	10.0K	10.2K
DE	20.4K	21.4K	20.9K
FL	339.3K	347.6K	357.7K
GA	95.7K	91.7K	93.0K
HI	6.1K	6.2K	6.3K
IA	34.9K	33.3K	32.6K
ID	13.4K	13.7K	13.9K
IL	165.9K	164.2K	159.5K
IN	85.5K	81.8K	78.7K
KS	41.7K	41.0K	40.8K
KY	54.6K	52.5K	53.0K
LA	61.0K	59.0K	57.2K
MA	143.2K	146.9K	145.9K
MD	85.2K	86.0K	86.6K
ME	13.1K	13.3K	13.8K
MI	109.5K	101.3K	96.8K
MN	44.1K	44.5K	45.5K
MO	78.5K	75.0K	73.4K
MS	49.4K	47.6K	47.3K
MT	8.6K	8.8K	8.9K
NC	108.8K	105.0K	102.6K
ND	11.0K	11.4K	11.1K
NE	23.0K	23.7K	23.3K
NH	23.1K	23.1K	23.3K
NJ	125.5K	125.6K	125.8K
NM	15.1K	15.1K	15.7K
NV	37.0K	37.8K	38.2K
NY	228.5K	229.4K	228.7K
OH	142.3K	139.1K	136.5K
OK	57.7K	58.4K	55.6K
OR	20.9K	21.8K	22.6K
PA	186.6K	186.2K	186.9K
RI	12.8K	12.8K	12.6K
SC	77.1K	78.2K	78.3K
SD	13.0K	12.8K	12.4K
TN	86.6K	85.0K	82.0K
TX	294.7K	288.3K	285.3K
UT	21.3K	20.9K	20.8K
VA	114.1K	112.6K	114.1K
VT	7.9K	7.6K	7.0K
WA	47.9K	48.6K	48.9K
WI	49.3K	49.7K	49.4K
WV	30.6K	28.7K	27.4K
WY	4.3K	4.4K	4.6K

NO-PAC INSTRUCTIONS			
State	2022 Q4	2023 Q4	2024 Q4
AK	10.9K	12.0K	12.0K
AL	50.9K	50.2K	46.7K
AR	46.3K	43.4K	41.7K
AZ	74.4K	82.1K	81.6K
CA	266.7K	275.9K	266.2K
CO	44.0K	47.2K	45.1K
CT	26.1K	27.6K	25.1K
DC	12.7K	13.0K	12.4K
DE	13.5K	14.4K	15.3K
FL	258.3K	268.3K	257.7K
GA	98.3K	99.9K	95.7K
HI	10.4K	11.4K	11.3K
IA	41.9K	42.2K	40.6K
ID	15.7K	16.6K	17.0K
IL	148.9K	157.2K	148.5K
IN	88.2K	90.1K	86.6K
KS	44.4K	44.2K	43.0K
KY	55.3K	56.1K	54.0K
LA	51.0K	49.3K	47.3K
MA	83.4K	87.9K	86.1K
MD	69.5K	72.6K	70.9K
ME	11.2K	11.4K	11.2K
MI	106.2K	104.4K	96.4K
MN	60.3K	62.8K	61.6K
MO	79.2K	80.7K	79.2K
MS	37.9K	35.3K	33.5K
MT	18.6K	18.9K	18.9K
NC	103.0K	103.6K	99.0K
ND	17.6K	16.5K	15.7K
NE	28.3K	30.2K	29.4K
NH	15.8K	17.1K	17.3K
NJ	100.2K	105.8K	105.5K
NM	18.0K	18.2K	17.5K
NV	32.9K	33.1K	31.1K
NY	191.0K	196.0K	189.2K
OH	123.0K	131.8K	128.7K
OK	46.4K	47.8K	45.9K
OR	39.2K	39.9K	38.0K
PA	142.9K	149.7K	142.6K
RI	7.8K	8.0K	7.6K
SC	55.5K	60.5K	58.6K
SD	18.8K	19.3K	18.8K
TN	83.9K	86.7K	83.2K
TX	253.9K	258.5K	251.7K
UT	20.3K	20.6K	19.8K
VA	90.6K	95.0K	93.9K
VT	7.0K	7.4K	7.3K
WA	73.3K	74.2K	72.0K
WI	62.5K	63.8K	61.7K
WV	29.5K	31.0K	30.5K
WY	9.4K	8.5K	8.1K

% DISCHARGES WITH PAC INSTRUCTIONS			
State	2022 Q4	2023 Q4	2024 Q4
AK	24.8%	24.6%	25.4%
AL	55.5%	55.2%	55.6%
AR	51.2%	52.1%	52.7%
AZ	44.4%	42.9%	44.2%
CA	56.7%	56.9%	59.3%
CO	46.9%	44.8%	45.5%
CT	66.1%	64.0%	65.7%
DC	46.5%	43.6%	45.1%
DE	60.2%	59.8%	57.6%
FL	56.8%	56.4%	58.1%
GA	49.3%	47.9%	49.3%
HI	37.0%	35.4%	35.8%
IA	45.5%	44.1%	44.5%
ID	46.0%	45.3%	45.0%
IL	52.7%	51.1%	51.8%
IN	49.2%	47.6%	47.6%
KS	48.4%	48.1%	48.7%
KY	49.7%	48.3%	49.5%
LA	54.4%	54.5%	54.7%
MA	63.2%	62.6%	62.9%
MD	55.1%	54.2%	55.0%
ME	54.0%	53.9%	55.4%
MI	50.8%	49.2%	50.1%
MN	42.2%	41.5%	42.5%
MO	49.8%	48.2%	48.1%
MS	56.6%	57.5%	58.5%
MT	31.6%	31.7%	32.0%
NC	51.4%	50.4%	50.9%
ND	38.4%	40.8%	41.6%
NE	44.8%	44.0%	44.3%
NH	59.4%	57.5%	57.4%
NJ	55.6%	54.3%	54.4%
NM	45.6%	45.4%	47.3%
NV	53.0%	53.3%	55.1%
NY	54.5%	53.9%	54.7%
OH	53.6%	51.3%	51.5%
OK	55.4%	55.0%	54.8%
OR	34.8%	35.4%	37.3%
PA	56.6%	55.4%	56.7%
RI	62.0%	61.7%	62.3%
SC	58.2%	56.4%	57.2%
SD	40.8%	39.9%	39.8%
TN	50.8%	49.5%	49.6%
TX	53.7%	52.7%	53.1%
UT	51.2%	50.3%	51.3%
VA	55.7%	54.2%	54.8%
VT	52.9%	50.5%	48.9%
WA	39.5%	39.5%	40.4%
WI	44.1%	43.8%	44.5%
WV	50.8%	48.1%	47.3%
WY	31.1%	34.3%	36.1%

Home Health Trends

Home Health Admissions, 2020 Q1 – 2024 Q3

KEY TAKEAWAYS

FFS home health admissions declined 2.1% year-over-year

FFS home health admissions fell 2.1% between the 2023 Q3 and 2024 Q3 reporting periods, a decline slightly smaller than the decrease in FFS enrollment.

Discharge instructions rose, softening HHA admissions decline

The rise in inpatient discharges instructed to home health in the most recent reporting period may explain the slower rate of decline in admissions, despite the slight misalignment in timeframes.

MA HHA admissions rose 6.5%, trailing 8.5% enrollment growth

MA home health admissions rose 6.5% in 2022, slower than the 8.5% increase in MA enrollment, possibly indicating a market adjustment following the tumultuousness of the COVID-19 pandemic.

HOME HEALTH USAGE REMAINS HIGHER FOR FFS BENEFICIARIES COMPARED TO MA BENEFICIARIES

FFS home health admissions declined 2.1% between the 2023 Q3 and 2024 Q3 reporting periods, a slightly smaller drop than the decline in FFS enrollment. This discrepancy could suggest a growing preference among FFS beneficiaries for in-home care. The relatively smaller reduction in admissions may also reflect the recent increase in inpatient discharge instructions to home health, although the reporting periods are not perfectly aligned.

With consistent decreases in FFS admissions, Medicare reimbursement cuts, and the ongoing challenges of MA contract negotiations, sustained FFS patient volumes remain vital to agency financial health.

Meanwhile, MA home health admissions increased by 6.5% in 2022, trailing MA enrollment growth. This could represent a correction following the disproportionate surge in MA home health use in 2021 amidst the pandemic. However, as MA admissions continue to grow year over year, agencies must demonstrate value and secure favorable contracts to succeed in the shift to value-based care.

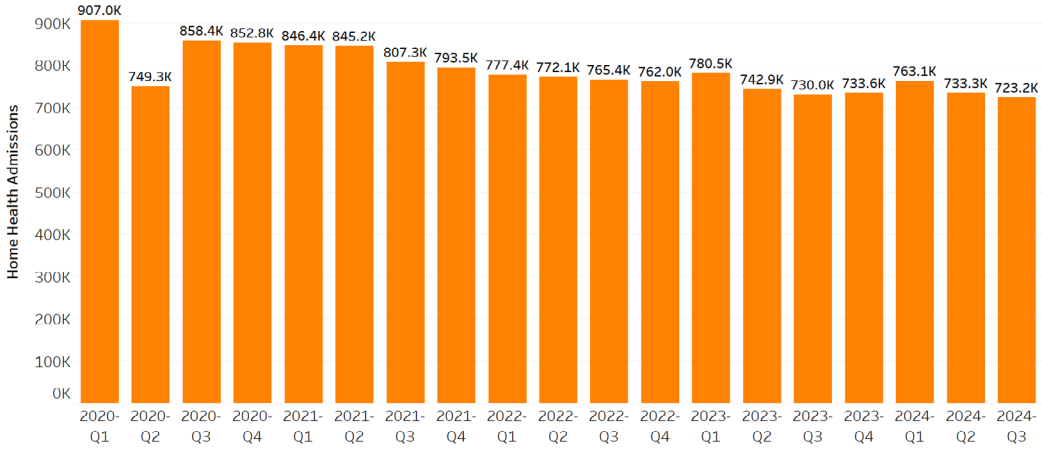
ANNUALIZED FFS HOME HEALTH ADMISSIONS COMPARED TO ENROLLMENT

R4Q Admits	2021 Q3	2022 Q3	2023 Q3	2024 Q3
Annualized Admissions	3.4M	3.1M	3.0M	3.0M
% Change	-1.6%	-7.3%	-3.0%	-2.1%
Enrollment Calendar Year	2021	2022	2023	2024
FFS Enrollment	30.4M	29.2M	28.2M	27.6M
% Change	-4.4%	-3.9%	-3.5%	-2.3%

ANNUALIZED MA HOME HEALTH ADMISSIONS COMPARED TO ENROLLMENT

CALENDAR YEAR	2019	2020	2021	2022
Annualized Admissions	1.8M	2.0M	2.3M	2.4M
% Change		5.6%	14.6%	6.5%
MA Enrollment	22.3M	24.4M	26.9M	29.2M
% Change		9.5%	10.0%	8.5%

NATIONAL HOME HEALTH ADMISSIONS BY QUARTER



Home Health Trends

Home Health Utilization and Adherence, 2022 Q4 – 2024 Q3

KEY TAKEAWAYS

FFS HHA utilization flat in 2024 Q3 reporting period: 24.7% vs. 24.8% prior year

National FFS home health utilization remained stable at 24.7% in the 2024 Q3 reporting period, nearly unchanged from 24.8% in the 2023 Q3 reporting period.

Utilization range of 25.1 points suggests market-by-market opportunity

Utilization varied significantly by state in the most recent data available; a 25.1 percentage point spread between the lowest and highest states, suggesting room for growth via demand expansion rather than competition in some markets.

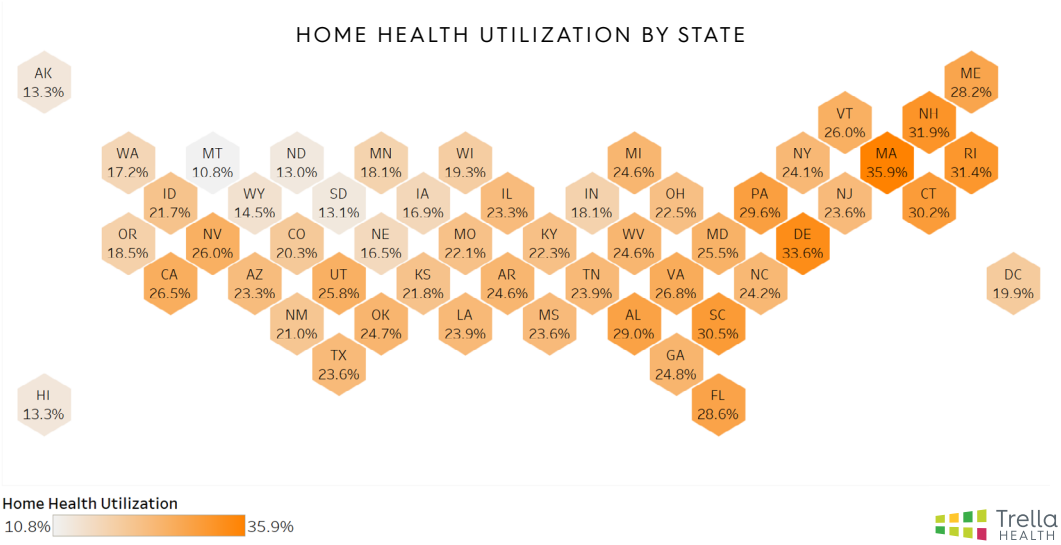
2.4-point difference in readmissions shows value of HHA in care transitions

Patients that adhered to new home health discharge instructions had a 2.4 percentage point lower 30-day readmission rate compared to those who did not, reinforcing skilled home health's importance in value-based care models.

STABLE UTILIZATION, PROVEN VALUE: HOME HEALTH ADHERENCE LOWERS READMISSIONS ACROSS MARKETS

Despite adherence to inpatient discharge instructions increasing between the 2023 Q4 and 2024 Q4 reporting periods, overall FFS home health utilization decreased very slightly between the 2023 Q3 (24.8%) and 2024 Q3 (24.7%) reporting periods. The consistency of this metric across several years indicates a stabilization after a tumultuous period caused by temporary changes in regulations and patient care preferences during the COVID-19 pandemic, which could indicate a new baseline in the following years.

Substantial geographic variation in utilization, with a 25.1-point range between states, suggests a need for targeted expansion strategies in underserved regions. Adherence to inpatient discharge instructions continues to demonstrate strong value: in the 2024 Q3 reporting period, patients who followed home health recommendations had a 12.7% 30-day readmission rate compared to a 15.1% readmission rate for non-adhering patients, a 2.4 percentage point difference. The difference between readmission rates underscores the importance of skilled home health care in reducing expensive hospital stays and enhances HHAs' ability to negotiate mutually beneficial contracts in value-based care models to payers.



Home Health Trends

FFS Home Health Admissions and Utilization by State and Reporting Period

HOME HEALTH ADMISSIONS			
State	2022 Q3	2023 Q3	2024 Q3
AK	3.7K	3.9K	3.9K
AL	55.5K	51.3K	48.6K
AR	34.3K	31.8K	30.1K
AZ	47.1K	47.6K	46.9K
CA	394.2K	411.6K	435.9K
CO	31.6K	29.7K	28.0K
CT	41.9K	40.6K	40.1K
DC	3.9K	4.2K	4.2K
DE	14.7K	15.1K	14.8K
FL	296.1K	298.8K	290.6K
GA	75.6K	71.7K	69.7K
HI	4.6K	4.5K	4.7K
IA	22.1K	20.3K	19.0K
ID	15.0K	14.4K	13.7K
IL	139.5K	134.7K	128.6K
IN	51.6K	47.9K	45.0K
KS	29.7K	27.7K	26.7K
KY	43.9K	40.4K	37.8K
LA	45.5K	42.1K	39.4K
MA	115.3K	115.6K	115.7K
MD	71.8K	70.3K	68.4K
ME	13.7K	12.8K	12.3K
MI	96.5K	87.6K	80.6K
MN	33.3K	32.3K	32.0K
MO	51.5K	47.8K	44.7K
MS	48.9K	43.7K	41.4K
MT	5.8K	5.4K	5.4K
NC	88.7K	83.7K	78.5K
ND	4.3K	4.3K	3.7K
NE	16.1K	14.7K	13.6K
NH	20.9K	19.8K	19.6K
NJ	85.8K	83.9K	81.2K
NM	14.6K	13.9K	13.7K
NV	31.3K	30.8K	29.9K
NY	160.7K	159.0K	158.3K
OH	94.7K	89.6K	87.4K
OK	50.5K	48.6K	46.6K
OR	24.5K	23.6K	22.9K
PA	133.3K	128.4K	125.1K
RI	11.7K	11.1K	10.6K
SC	65.9K	65.3K	64.6K
SD	6.7K	6.1K	5.6K
TN	65.3K	61.6K	59.9K
TX	208.9K	192.8K	186.0K
UT	24.1K	22.9K	22.1K
VA	92.7K	88.6K	87.6K
VT	10.2K	9.5K	9.2K
WA	46.5K	43.8K	42.2K
WI	37.2K	34.9K	33.3K
WV	22.2K	20.4K	18.8K
WY	4.8K	4.5K	4.3K

YOY% CHANGE IN ADMISSIONS			
State	2022 Q3	2023 Q3	2024 Q3
AK	0.3%	4.9%	0.2%
AL	-8.3%	-7.6%	-5.4%
AR	-7.4%	-7.5%	-5.1%
AZ	-6.6%	1.0%	-1.4%
CA	-0.7%	4.4%	5.9%
CO	-8.4%	-5.8%	-5.8%
CT	-8.6%	-3.1%	-1.2%
DC	-18.1%	6.7%	1.1%
DE	-7.0%	3.1%	-2.4%
FL	-10.8%	0.9%	-2.8%
GA	-7.4%	-5.1%	-2.9%
HI	-4.2%	-3.0%	5.3%
IA	-12.7%	-7.9%	-6.5%
ID	-7.9%	-3.9%	-5.1%
IL	-8.6%	-3.4%	-4.5%
IN	-10.8%	-7.1%	-6.2%
KS	-6.1%	-6.9%	-3.3%
KY	-11.0%	-7.9%	-6.4%
LA	-10.4%	-7.4%	-6.6%
MA	-4.3%	0.3%	0.0%
MD	-4.0%	-2.1%	-2.6%
ME	-16.1%	-6.4%	-4.5%
MI	-11.2%	-9.2%	-8.0%
MN	-8.5%	-3.0%	-0.9%
MO	-10.8%	-7.2%	-6.4%
MS	-10.2%	-10.5%	-5.2%
MT	-9.9%	-7.0%	1.4%
NC	-9.4%	-5.5%	-6.3%
ND	-10.1%	-1.0%	-12.0%
NE	-6.3%	-8.2%	-7.9%
NH	-8.2%	-5.6%	-0.7%
NJ	-4.7%	-2.2%	-3.2%
NM	-9.3%	-4.8%	-1.7%
NV	-6.0%	-1.9%	-2.6%
NY	-6.4%	-1.1%	-0.5%
OH	-9.0%	-5.3%	-2.4%
OK	-6.3%	-3.9%	-4.0%
OR	-7.7%	-3.6%	-3.1%
PA	-7.9%	-3.7%	-2.5%
RI	-8.1%	-5.2%	-4.2%
SC	-4.3%	-0.9%	-1.0%
SD	1.0%	-9.8%	-7.2%
TN	-8.1%	-5.7%	-2.7%
TX	-7.5%	-7.7%	-3.5%
UT	-6.8%	-5.1%	-3.4%
VA	-8.0%	-4.4%	-1.1%
VT	-12.7%	-6.4%	-3.3%
WA	-5.2%	-5.8%	-3.6%
WI	-7.4%	-6.3%	-4.5%
WV	-8.9%	-8.4%	-7.6%
WY	-7.7%	-7.2%	-3.0%

HOME HEALTH UTILIZATION			
State	2022 Q3	2023 Q3	2024 Q3
AK	13.0%	13.1%	13.3%
AL	28.7%	29.2%	29.0%
AR	24.6%	24.5%	24.6%
AZ	21.8%	22.7%	23.3%
CA	26.3%	26.4%	26.5%
CO	21.2%	20.9%	20.3%
CT	31.0%	30.2%	30.2%
DC	18.2%	18.8%	19.9%
DE	30.8%	32.6%	33.6%
FL	27.2%	28.3%	28.6%
GA	24.7%	24.5%	24.8%
HI	13.1%	12.4%	13.3%
IA	17.2%	17.4%	16.9%
ID	23.1%	23.1%	21.7%
IL	23.3%	23.5%	23.3%
IN	18.8%	18.5%	18.1%
KS	21.2%	21.3%	21.8%
KY	22.5%	22.5%	22.3%
LA	23.9%	24.0%	23.9%
MA	35.3%	35.6%	35.9%
MD	25.6%	25.6%	25.5%
ME	28.1%	27.3%	28.2%
MI	24.8%	25.3%	24.6%
MN	17.5%	17.8%	18.1%
MO	22.6%	22.7%	22.1%
MS	25.2%	24.4%	23.6%
MT	11.1%	10.6%	10.8%
NC	24.7%	24.9%	24.2%
ND	12.4%	14.0%	13.0%
NE	17.7%	17.4%	16.5%
NH	33.1%	31.7%	31.9%
NJ	24.8%	24.3%	23.6%
NM	19.4%	20.2%	21.0%
NV	25.4%	26.3%	26.0%
NY	24.4%	24.2%	24.1%
OH	22.3%	22.5%	22.5%
OK	24.5%	25.5%	24.7%
OR	18.8%	18.6%	18.5%
PA	30.2%	30.2%	29.6%
RI	31.6%	30.8%	31.4%
SC	30.7%	30.9%	30.5%
SD	15.0%	13.7%	13.1%
TN	23.7%	23.8%	23.9%
TX	23.5%	23.7%	23.6%
UT	25.9%	25.8%	25.8%
VA	27.6%	27.1%	26.8%
VT	27.7%	25.7%	26.0%
WA	18.3%	17.6%	17.2%
WI	19.3%	19.3%	19.3%
WV	25.2%	25.4%	24.6%
WY	14.1%	14.4%	14.5%

Hospice Trends

Hospice Admissions, 2020 Q1 – 2024 Q4

KEY TAKEAWAYS

2024 hospice admissions climbed 3.7%, up from 0.8% in 2021

Annual hospice admission growth accelerated from 0.8% in the 2021 Q4 reporting period to 3.7% in the 2024 Q4 reporting period, the largest year-over-year growth since the pandemic.

Hospice ALOS increased 3.6 days, signaling earlier intervention

National hospice Average Length of Stay (ALOS) grew by 3.6 days between the 2023 Q4 and 2024 Q4 reporting periods, indicating earlier involvement of hospice agencies in end-of-life care.

Median length of stay up 1.0 day — key indicator of hospice awareness

National hospice Median Length of Stay (MLOS) grew by 1.0 day between the 2023 Q4 and 2024 Q4 reporting periods, a smaller increase than ALOS but a crucial indicator for earlier adoption of hospice services.

HOSPICE GROWTH ACCELERATES AS DEMOGRAPHIC TRENDS DRIVE RISING DEMAND

Hospice admissions continue their steady march higher since 2020, with annual growth rates increasing for each Q4 reporting period since 2021. This trend aligns with the Baby Boomer generation's movement into age groups that more frequently utilize hospice care.

Hospice ALOS also continued its upward trajectory, increasing from 68.3 to 71.9 between the 2023 Q4 and 2024 Q4 reporting periods. Hospice MLOS had a more modest increase, from 20.0 to 21.0 between the 2023 Q4 and 2024 Q4 reporting periods and remains much lower than the ALOS. However, increases in both ALOS and MLOS indicate earlier adoption of hospice services, suggesting more awareness by both patients and referral partners on the value of the hospice benefit. This awareness is especially prevalent as U.S. healthcare in general prioritizes value-based care since earlier hospice admission saves a substantial amount in reimbursement.

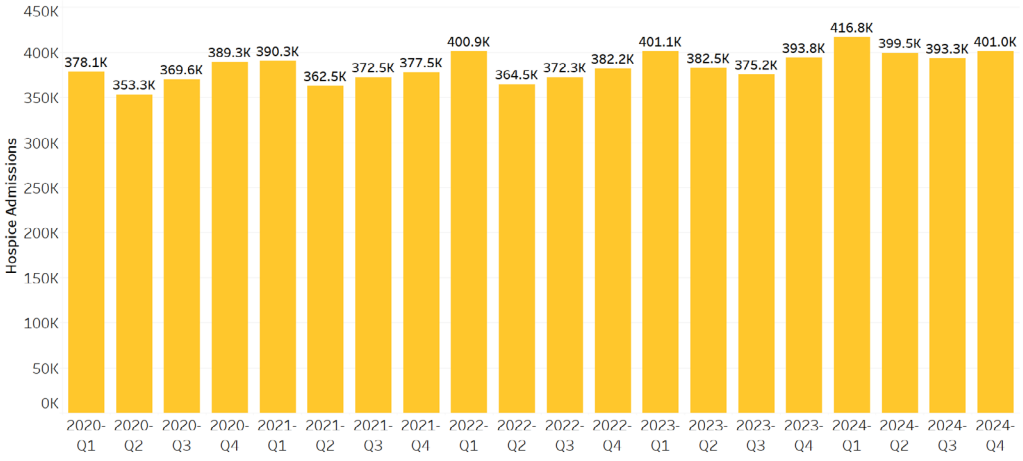
ANNUALIZED HOSPICE ADMISSIONS, MORTALITIES, AND MORTALITIES ON HOSPICE

CALENDAR YEAR	2021	2022	2023	2024
Hospice Admissions	1.5M	1.5M	1.6M	1.6M
Medicare Mortalities (FFS + MA)	2.7M	2.6M	2.5M	2.5M
Mortalities on Hospice	1.2M	1.2M	1.2M	1.3M
% of Deaths on Hospice	45.4%	47.2%	49.8%	50.8%

These patterns suggest continued upward momentum for hospice admissions as demographic trends drive demand, and hospice benefit awareness continues to increase.

Note: Hospice admissions in this section does not include Medicare beneficiaries that received hospice care paid through their Medicare Advantage plan as part of the VBID hospice carve-in program and thus could be slightly understated.

NATIONAL HOSPICE ADMISSIONS BY QUARTER



Hospice Trends

Hospice Utilization, 2024 Q1 – 2024 Q4

KEY TAKEAWAYS

Hospice deaths rose 2.6% vs. a 0.7% rise in total Medicare mortalities

The share of Medicare mortalities on hospice rose by 1.0 percentage point between the 2023 Q4 and 2024 Q4 reporting periods, driven by a 2.6% increase in hospice deaths versus a 0.7% rise in total Medicare mortalities.

Hospice utilization varies by nearly 40 percentage points across states

Geographic variation in hospice utilization, ranging from 27.2% to 65.5%, indicates opportunities for further hospice education and expansion and should be a key metric for market evaluation.

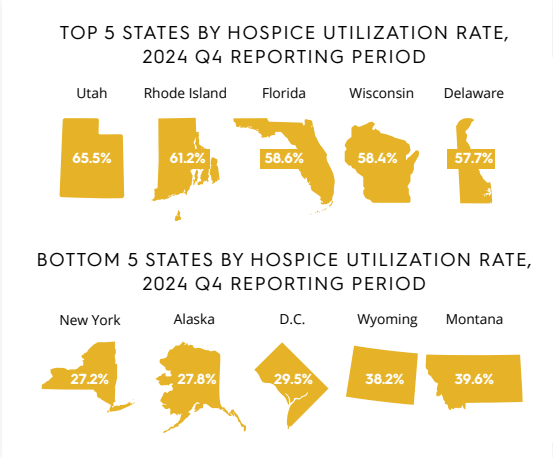
Only 4 states saw slight declines in hospice utilization

Only 4 states had a decrease in hospice utilization between the 2023 Q4 and 2024 Q4 reporting periods, all lower than 0.2 percentage points, suggesting widespread increases in hospice utilization.

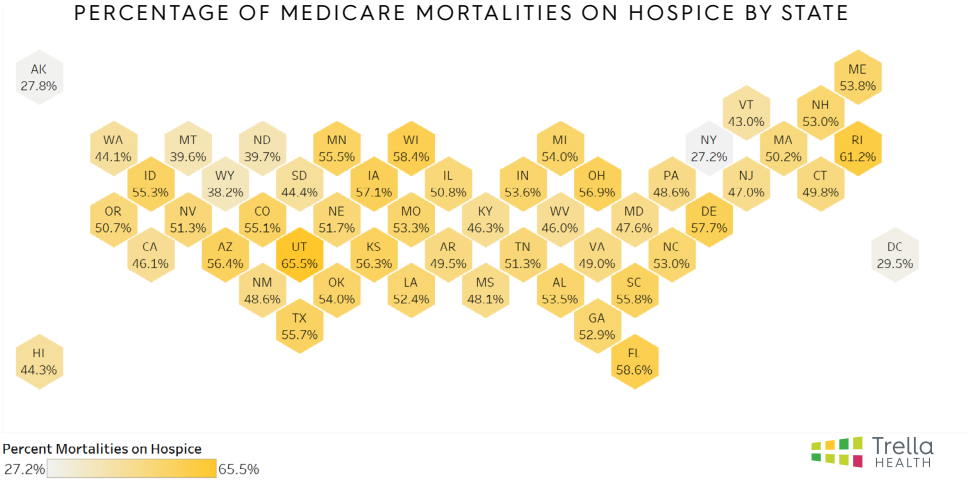
STABLE NATIONAL HOSPICE UTILIZATION MASKS SIGNIFICANT STATE VARIATION

Hospice utilization, the percentage of Medicare mortalities on hospice at the time of death, eclipsed the 50% mark for the first time since the 2019 Q4, a symbolic recovery milestone for the sector. The recovery of hospice utilization since a precipitous drop between 2019 and 2020 is a positive sign that the hospice industry will continue to grow in the coming years. Total Medicare mortalities also rose during the 2024 Q4 reporting period, the first increase since 2020, further indicating the expansion of hospice services.

Despite overall growth, hospice utilization continues to vary significantly across different states, ranging by 38.3 percentage points from 27.2% in New York to 65.5% in Utah. The wide gap in hospice utilization indicates opportunities for both patient and referral education for the benefits of hospice as nearly half of Medicare mortalities do not take advantage of this extremely valuable care setting.



Markets with hospice utilization lower than the national average should be prioritized for hospice expansion to ensure all Medicare beneficiaries have equal access to the hospice benefit.



Hospice Trends

Hospice Admissions, Mortalities, and Utilization by State and Reporting Period

HOSPICE ADMISSIONS			
State	2022 Q4	2023 Q4	2024 Q4
AK	1.2K	1.2K	1.3K
AL	32.0K	32.3K	33.8K
AR	17.4K	17.2K	18.2K
AZ	40.7K	41.4K	43.0K
CA	156.6K	166.5K	173.3K
CO	21.8K	22.6K	23.6K
CT	14.3K	14.7K	15.4K
DC	1.4K	1.5K	1.4K
DE	5.8K	5.8K	5.8K
FL	134.7K	137.1K	141.2K
GA	48.7K	50.0K	52.9K
HI	5.6K	5.5K	5.8K
IA	17.8K	18.0K	18.5K
ID	8.8K	8.9K	9.2K
IL	52.4K	52.7K	53.7K
IN	34.4K	35.8K	35.3K
KS	16.0K	15.8K	16.3K
KY	20.8K	21.0K	21.8K
LA	24.0K	24.7K	25.5K
MA	28.6K	29.3K	30.2K
MD	22.6K	22.8K	23.6K
ME	8.1K	8.6K	8.6K
MI	52.4K	54.2K	55.7K
MN	25.5K	26.1K	27.2K
MO	32.9K	33.6K	35.5K
MS	16.5K	17.2K	18.1K
MT	4.4K	4.0K	4.6K
NC	50.4K	52.3K	54.7K
ND	2.3K	2.5K	2.6K
NE	8.4K	8.9K	8.9K
NH	6.7K	7.1K	7.4K
NJ	33.7K	33.4K	34.5K
NM	9.8K	10.0K	10.5K
NV	15.0K	15.4K	16.7K
NY	43.6K	41.6K	41.8K
OH	69.2K	68.8K	72.9K
OK	23.5K	24.1K	26.0K
OR	20.7K	20.6K	20.6K
PA	64.0K	64.1K	66.0K
RI	5.8K	6.0K	6.2K
SC	30.8K	31.8K	33.2K
SD	3.5K	3.6K	3.7K
TN	35.6K	36.4K	38.9K
TX	128.7K	132.6K	138.3K
UT	13.0K	13.2K	14.0K
VA	36.0K	36.8K	37.5K
VT	2.9K	3.1K	2.9K
WA	26.3K	27.0K	27.4K
WI	31.7K	32.6K	33.3K
WV	10.7K	10.4K	10.7K
WY	2.1K	2.1K	2.1K

MORTALITIES			
State	2022 Q4	2023 Q4	2024 Q4
AK	3.9K	3.8K	3.9K
AL	49.1K	46.8K	47.1K
AR	30.3K	28.7K	29.2K
AZ	57.3K	54.1K	55.6K
CA	247.6K	234.2K	231.6K
CO	36.0K	34.8K	34.6K
CT	28.3K	26.8K	27.1K
DC	3.9K	3.6K	3.5K
DE	9.0K	8.5K	8.7K
FL	192.9K	185.5K	187.5K
GA	77.9K	73.9K	75.2K
HI	10.9K	10.5K	10.8K
IA	28.3K	27.3K	27.7K
ID	13.9K	13.4K	13.8K
IL	97.3K	90.5K	90.3K
IN	59.3K	55.6K	55.7K
KS	25.1K	23.4K	23.5K
KY	45.1K	41.9K	42.2K
LA	39.4K	37.5K	38.4K
MA	52.3K	50.9K	50.7K
MD	44.0K	41.5K	42.5K
ME	14.3K	14.1K	13.9K
MI	90.4K	84.9K	85.7K
MN	41.9K	40.6K	41.6K
MO	56.8K	53.3K	54.3K
MS	29.3K	27.3K	27.5K
MT	9.4K	9.2K	9.5K
NC	89.3K	85.3K	85.4K
ND	5.6K	5.5K	5.7K
NE	15.3K	15.1K	15.1K
NH	12.1K	12.0K	12.0K
NJ	66.0K	61.6K	62.1K
NM	17.7K	16.8K	16.8K
NV	23.9K	22.1K	22.4K
NY	142.4K	133.3K	132.5K
OH	109.1K	101.6K	102.6K
OK	37.2K	34.4K	35.5K
OR	36.3K	34.5K	34.4K
PA	120.9K	114.7K	114.3K
RI	9.0K	8.7K	8.8K
SC	48.0K	45.9K	46.8K
SD	7.3K	7.0K	7.2K
TN	66.0K	62.1K	63.1K
TX	184.3K	175.4K	178.1K
UT	17.0K	16.4K	16.6K
VA	66.1K	62.9K	62.9K
VT	5.8K	5.7K	5.7K
WA	55.5K	52.5K	52.9K
WI	49.9K	47.7K	47.8K
WV	21.9K	19.8K	20.0K
WY	4.7K	4.5K	4.7K

HOSPICE MORTALITIES			
State	2022 Q4	2023 Q4	2024 Q4
AK	1.0K	1.0K	1.1K
AL	23.8K	23.9K	25.2K
AR	14.2K	13.9K	14.5K
AZ	31.1K	30.3K	31.4K
CA	109.1K	107.2K	106.7K
CO	17.6K	18.4K	19.1K
CT	12.6K	13.0K	13.5K
DC	1.1K	1.1K	1.0K
DE	4.9K	4.8K	5.0K
FL	107.6K	109.2K	109.9K
GA	38.0K	38.1K	39.8K
HI	4.8K	4.6K	4.8K
IA	15.3K	15.2K	15.8K
ID	7.2K	7.0K	7.6K
IL	45.2K	45.3K	45.9K
IN	29.3K	29.6K	29.9K
KS	13.0K	12.8K	13.2K
KY	18.6K	18.7K	19.6K
LA	19.0K	19.2K	20.1K
MA	24.1K	24.9K	25.4K
MD	19.7K	19.4K	20.2K
ME	7.2K	7.4K	7.5K
MI	44.9K	45.0K	46.3K
MN	21.7K	22.3K	23.1K
MO	27.1K	27.0K	28.9K
MS	12.5K	12.8K	13.2K
MT	3.7K	3.2K	3.7K
NC	43.3K	44.4K	45.3K
ND	2.0K	2.2K	2.3K
NE	7.4K	7.7K	7.8K
NH	5.7K	6.1K	6.3K
NJ	29.0K	28.5K	29.2K
NM	8.0K	7.9K	8.2K
NV	11.1K	11.1K	11.5K
NY	37.4K	36.0K	36.1K
OH	57.6K	56.5K	58.3K
OK	17.8K	17.7K	19.2K
OR	17.9K	17.4K	17.5K
PA	54.8K	55.0K	55.6K
RI	5.0K	5.3K	5.4K
SC	24.9K	25.1K	26.1K
SD	3.1K	3.1K	3.2K
TN	30.4K	30.6K	32.4K
TX	96.4K	95.9K	99.2K
UT	10.1K	10.4K	10.9K
VA	30.2K	30.8K	30.8K
VT	2.5K	2.5K	2.5K
WA	22.7K	23.0K	23.3K
WI	27.1K	26.9K	27.9K
WV	9.2K	9.0K	9.2K
WY	1.8K	1.7K	1.8K

HOSPICE UTILIZATION			
State	2022 Q4	2023 Q4	2024 Q4
AK	25.6%	25.8%	27.8%
AL	48.6%	51.0%	53.5%
AR	46.9%	48.5%	49.5%
AZ	54.2%	56.0%	56.4%
CA	44.1%	45.8%	46.1%
CO	48.8%	52.8%	55.1%
CT	44.6%	48.4%	49.8%
DC	27.4%	29.4%	29.5%
DE	54.0%	56.3%	57.7%
FL	55.8%	58.8%	58.6%
GA	48.7%	51.5%	52.9%
HI	43.6%	43.6%	44.3%
IA	54.0%	55.9%	57.1%
ID	51.6%	52.0%	55.3%
IL	46.4%	50.0%	50.8%
IN	49.4%	53.3%	53.6%
KS	51.5%	54.6%	56.3%
KY	41.2%	44.7%	46.3%
LA	48.2%	51.2%	52.4%
MA	46.0%	48.8%	50.2%
MD	44.8%	46.8%	47.6%
ME	50.4%	52.3%	53.8%
MI	49.6%	52.9%	54.0%
MN	51.9%	54.8%	55.5%
MO	47.7%	50.7%	53.3%
MS	42.6%	46.9%	48.1%
MT	39.2%	35.4%	39.6%
NC	48.5%	52.1%	53.0%
ND	36.2%	40.1%	39.7%
NE	48.3%	50.6%	51.7%
NH	47.1%	51.0%	53.0%
NJ	44.0%	46.2%	47.0%
NM	45.1%	47.1%	48.6%
NV	46.3%	50.4%	51.3%
NY	26.3%	27.0%	27.2%
OH	52.8%	55.6%	56.9%
OK	47.7%	51.5%	54.0%
OR	49.2%	50.4%	50.7%
PA	45.3%	47.9%	48.6%
RI	55.4%	60.3%	61.2%
SC	51.8%	54.7%	55.8%
SD	42.7%	43.8%	44.4%
TN	46.0%	49.4%	51.3%
TX	52.3%	54.7%	55.7%
UT	59.5%	63.5%	65.5%
VA	45.8%	48.9%	49.0%
VT	43.2%	44.8%	43.0%
WA	40.8%	43.7%	44.1%
WI	54.3%	56.5%	58.4%
WV	42.1%	45.2%	46.0%
WY	37.6%	38.3%	38.2%

SNF Trends

Skilled Nursing Admissions, 2020 Q1 – 2024 Q4

KEY TAKEAWAYS

FFS SNF admissions fell 5.3%, outpacing its FFS enrollment decline

National FFS skilled nursing admissions declined by 5.3% year-over-year in the 2024 Q4 reporting period, outpacing the 2.3% drop in FFS enrollment during the same timeframe.

12.1% MA SNF admission growth surpassed MA enrollment rise

Between 2021 and 2022, Medicare Advantage (MA) skilled nursing admissions rose by 12.1%, exceeding the 8.5% increase in MA enrollment.

Signs of stabilization emerge in SNF admissions for FFS and MA

These trends suggest stabilization in both FFS and MA skilled nursing admissions following pandemic-era volatility driven by regulatory shifts and operational strain.

FFS SKILLED NURSING ADMISSIONS STABILIZE AMID DIVERGENT FFS AND MA ENROLLMENT TRENDS

Skilled nursing admissions appear to be stabilizing after several years of pandemic-related disruption. FFS inpatient discharges with skilled nursing instructions remained steady between the 2021 Q4 and 2024 Q4 reporting periods, ranging narrowly between 1.4 and 1.6 million per year.

However, declining adherence rates and a shrinking number of referrals from non-acute settings — largely due to falling FFS enrollment in favor of Medicare Advantage — contributed to a 5.3% drop in FFS skilled nursing admissions between the 2023 Q4 and 2024 Q4 reporting periods.

Quarterly FFS admissions, which had dropped sharply between Q1 and Q2 of 2023, leveled off thereafter and showed minimal fluctuation through 2024 Q4. On the MA side, admissions began recovering from the sharp 12.4% decline observed between 2019 and 2020. A major rebound occurred between 2021 and 2022, when MA skilled nursing admissions rose 12.1%, outpacing the 8.5% increase in MA enrollment — a sign that utilization may be catching up with enrollment growth.

As MA continues to grow and value-based care gains traction, skilled nursing facilities must actively negotiate for stronger MA reimbursement terms and clearly demonstrate their role in reducing hospital readmissions.

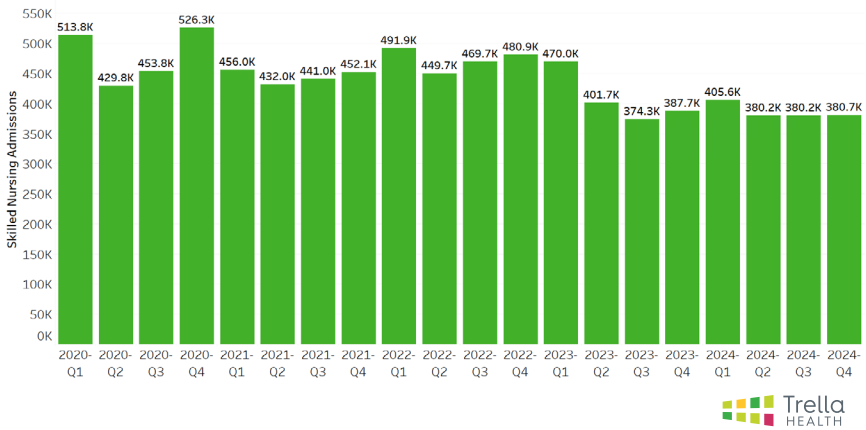
ANNUALIZED FFS SKILLED NURSING ADMISSIONS COMPARED TO ENROLLMENT

CALENDAR YEAR	2021	2022	2023	2024
Annualized Admissions	1.8M	1.9M	1.6M	1.5M
% Change	-7.4%	6.2%	-13.7%	-5.3%
Enrollment Calendar Year	**2021**	**2022**	**2023**	**2024**
FFS Enrollment	30.4M	29.2M	28.2M	27.6M
% Change	-4.4%	-3.9%	-3.5%	-2.3%

ANNUALIZED MA SKILLED NURSING ADMISSIONS COMPARED TO ENROLLMENT

CALENDAR YEAR	2019	2020	2021	2022
Annualized Admissions	1.1M	980K	1.2M	1.3M
% Change		-12.4%	21.7%	12.1%
MA Enrollment	22.3M	24.4M	26.9M	29.2M
% Change		9.5%	10.0%	8.5%

NATIONAL SKILLED NURSING ADMISSIONS BY QUARTER



SNF Trends

FFS Skilled Nursing Utilization, 2023 Q1 – 2024 Q4

KEY TAKEAWAYS

FFS SNF utilization holds at 22.7%, showing year-over-year stability

National FFS skilled nursing utilization remained steady at 22.7% in the 2024 Q4 reporting period, unchanged from the 2023 Q4 reporting period, suggesting a return to stability post-pandemic.

SNF utilization varies sharply by state, from 7.2% to 29.7%

Utilization rates varied significantly by state, ranging from a low of 7.2% in Alaska to a high of 29.7% in Connecticut — a 22.6 percentage point spread.

Inconsistent SNF use highlights need for clearer discharge guidance

These disparities suggest a need for more consistent guidance on care setting decisions and highlight an opportunity for skilled nursing facilities to reinforce their value to acute care partners.

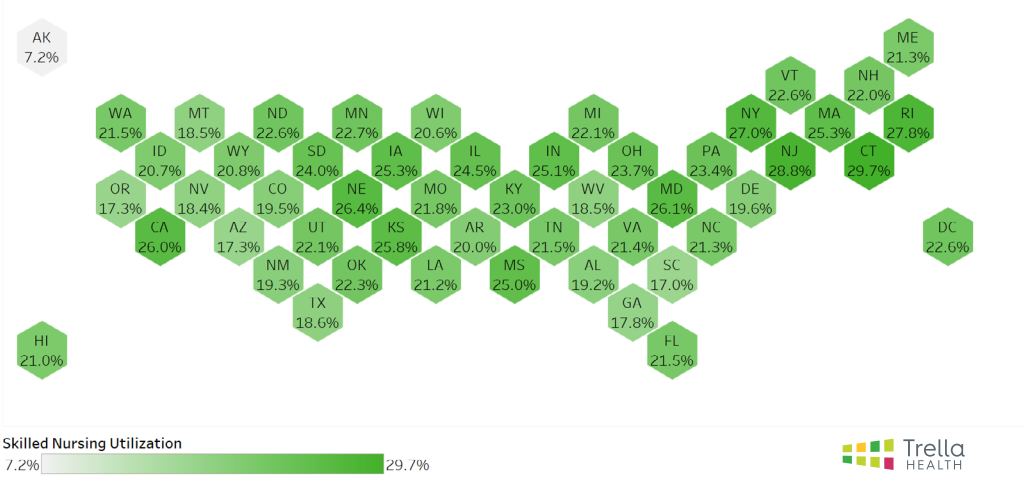
FFS SKILLED NURSING UTILIZATION STABILIZES NATIONALLY AMID WIDE STATE VARIATIONS

National FFS skilled nursing utilization held steady at 22.7% in both the 2023 Q4 and 2024 Q4 reporting periods, reflecting a return to relative stability after the volatility caused by the COVID-19 pandemic. However, geographic disparities in utilization remain pronounced. Alaska reported the lowest utilization rate at just 7.2%, while Connecticut's utilization is the highest at 29.7%, yielding a 22.6 percentage point range. Even when excluding Alaska, the spread between states remained substantial at 12.7 percentage points, with South Carolina marking the second-lowest rate at 17.0%.

This wide variation suggests inconsistent application of skilled nursing care, particularly in transitions from acute settings. In a healthcare landscape increasingly shaped by value-based care initiatives, skilled nursing facilities have an opportunity to strengthen their partnerships with hospitals by demonstrating their effectiveness in reducing readmissions and managing complex patients.

Furthermore, six states experienced notable changes in utilization between the 2023 Q4 and 2024 Q4 reporting periods: Colorado and Rhode Island each saw declines of 1.5 percentage points, Missouri dropped 1.0 point, while Montana, Wyoming, and Oregon experienced increases of 1.0, 1.2, and 1.7 points, respectively. These shifts reinforce the importance of monitoring and aligning skilled nursing use with patient needs and system-wide goals.

FFS SKILLED NURSING UTILIZATION BY STATE



SNF Trends

FFS Skilled Nursing Admissions and Utilization by State and Reporting Period

SKILLED NURSING ADMISSIONS			
State	2022 Q4	2023 Q4	2024 Q4
AK	1.4K	1.4K	1.4K
AL	22.8K	20.6K	18.7K
AR	21.8K	17.5K	15.9K
AZ	26.8K	23.3K	21.9K
CA	196.7K	166.1K	165.1K
CO	20.5K	17.4K	14.8K
CT	29.0K	23.2K	20.5K
DC	3.5K	3.2K	3.3K
DE	7.0K	6.4K	6.2K
FL	150.3K	134.3K	133.0K
GA	36.6K	33.3K	31.9K
HI	3.4K	3.7K	3.7K
IA	27.2K	21.7K	19.8K
ID	7.0K	6.7K	6.3K
IL	93.1K	77.6K	70.7K
IN	50.4K	39.9K	36.0K
KS	25.8K	22.3K	21.0K
KY	30.7K	25.1K	23.0K
LA	26.1K	22.0K	19.3K
MA	63.2K	57.0K	53.2K
MD	49.6K	43.4K	40.2K
ME	6.9K	6.1K	5.8K
MI	50.0K	42.9K	39.1K
MN	25.9K	23.5K	22.9K
MO	40.1K	34.5K	30.4K
MS	23.0K	21.2K	19.8K
MT	5.6K	5.1K	5.2K
NC	48.2K	42.9K	40.8K
ND	5.8K	5.2K	4.8K
NE	15.2K	14.0K	13.2K
NH	10.1K	8.7K	8.2K
NJ	76.6K	68.9K	66.9K
NM	8.4K	7.1K	6.9K
NV	11.9K	10.5K	10.2K
NY	143.0K	127.1K	124.5K
OH	76.1K	62.6K	56.5K
OK	27.8K	23.7K	22.8K
OR	10.3K	10.1K	10.6K
PA	77.4K	71.8K	70.4K
RI	6.7K	6.1K	5.4K
SC	26.9K	22.9K	21.7K
SD	7.9K	7.4K	6.9K
TN	36.4K	31.9K	30.6K
TX	122.3K	94.6K	84.1K
UT	10.0K	8.4K	7.9K
VA	49.1K	41.7K	40.2K
VT	5.4K	4.5K	4.2K
WA	26.8K	26.2K	25.3K
WI	28.2K	24.4K	22.4K
WV	12.9K	10.4K	9.5K
WY	4.2K	3.5K	3.6K

YOY% CHANGE IN ADMISSIONS			
State	2022 Q4	2023 Q4	2024 Q4
AK	2.4%	2.9%	-1.0%
AL	-1.6%	-9.8%	-8.9%
AR	11.9%	-20.0%	-8.7%
AZ	4.7%	-12.9%	-6.0%
CA	21.2%	-15.6%	-0.6%
CO	9.7%	-15.3%	-14.6%
CT	6.8%	-20.0%	-11.5%
DC	-5.3%	-8.0%	3.6%
DE	-0.6%	-9.1%	-2.1%
FL	7.1%	-10.6%	-0.9%
GA	3.3%	-9.1%	-4.3%
HI	2.2%	7.4%	0.1%
IA	5.9%	-20.3%	-8.5%
ID	6.1%	-4.4%	-5.7%
IL	6.8%	-16.7%	-8.9%
IN	3.7%	-20.9%	-9.9%
KS	1.9%	-13.6%	-5.9%
KY	-0.9%	-18.4%	-8.4%
LA	8.1%	-15.8%	-12.2%
MA	6.6%	-9.7%	-6.8%
MD	7.9%	-12.4%	-7.5%
ME	-0.6%	-11.8%	-3.8%
MI	-1.7%	-14.2%	-8.8%
MN	-7.9%	-9.2%	-2.8%
MO	5.8%	-14.0%	-11.8%
MS	2.4%	-7.7%	-6.9%
MT	-1.1%	-8.1%	1.5%
NC	-2.4%	-11.0%	-4.9%
ND	-2.9%	-10.4%	-7.5%
NE	-1.4%	-8.0%	-5.9%
NH	9.3%	-13.3%	-6.6%
NJ	9.1%	-10.1%	-2.9%
NM	10.7%	-15.6%	-2.4%
NV	8.8%	-11.8%	-3.2%
NY	9.4%	-11.1%	-2.0%
OH	1.0%	-17.7%	-9.8%
OK	5.6%	-14.9%	-3.8%
OR	-4.2%	-1.6%	4.7%
PA	3.0%	-7.3%	-1.9%
RI	1.9%	-10.3%	-10.5%
SC	7.6%	-14.9%	-5.1%
SD	3.1%	-6.3%	-6.7%
TN	0.0%	-12.4%	-4.2%
TX	7.9%	-22.7%	-11.0%
UT	5.8%	-16.3%	-5.5%
VA	5.2%	-15.1%	-3.6%
VT	6.3%	-15.9%	-7.5%
WA	6.9%	-2.4%	-3.4%
WI	-5.3%	-13.8%	-7.9%
WV	9.4%	-19.3%	-9.2%
WY	13.3%	-17.0%	2.9%

SNF UTILIZATION			
State	2022 Q4	2023 Q4	2024 Q4
AK	7.3%	7.4%	7.2%
AL	19.5%	19.7%	19.2%
AR	20.1%	20.5%	20.0%
AZ	19.4%	18.1%	17.3%
CA	24.2%	25.1%	26.0%
CO	21.4%	21.0%	19.5%
CT	31.3%	30.1%	29.7%
DC	22.8%	22.4%	22.6%
DE	20.0%	19.7%	19.6%
FL	22.5%	21.8%	21.5%
GA	17.8%	18.1%	17.8%
HI	19.0%	20.1%	21.0%
IA	26.6%	25.4%	25.3%
ID	19.4%	21.4%	20.7%
IL	25.9%	24.7%	24.5%
IN	26.3%	25.3%	25.1%
KS	26.7%	26.2%	25.8%
KY	23.6%	23.4%	23.0%
LA	20.6%	21.6%	21.2%
MA	25.2%	25.2%	25.3%
MD	27.0%	26.5%	26.1%
ME	20.1%	20.8%	21.3%
MI	21.6%	21.6%	22.1%
MN	22.5%	22.4%	22.7%
MO	23.3%	22.8%	21.8%
MS	24.5%	25.3%	25.0%
MT	16.8%	17.5%	18.5%
NC	20.7%	20.9%	21.3%
ND	21.4%	21.8%	22.6%
NE	26.5%	26.2%	26.4%
NH	21.4%	22.1%	22.0%
NJ	29.5%	28.7%	28.8%
NM	18.9%	19.4%	19.3%
NV	18.2%	18.1%	18.4%
NY	26.4%	26.4%	27.0%
OH	25.7%	24.3%	23.7%
OK	22.3%	22.3%	22.3%
OR	14.9%	15.6%	17.3%
PA	22.8%	22.9%	23.4%
RI	29.5%	29.3%	27.8%
SC	17.4%	17.1%	17.0%
SD	24.0%	23.3%	24.0%
TN	22.2%	21.6%	21.5%
TX	20.0%	19.2%	18.6%
UT	22.3%	22.4%	22.1%
VA	21.7%	21.0%	21.4%
VT	21.6%	22.1%	22.6%
WA	19.4%	20.9%	21.5%
WI	21.2%	20.8%	20.6%
WV	19.8%	18.6%	18.5%
WY	18.4%	19.6%	20.8%

Additional Trends in Post-Acute Care

Building for Value-Based Care in Post-Acute Settings

As the healthcare industry shifts decisively from fee-for-service to value-based models, post-acute care providers are increasingly expected to deliver outcomes that reflect both clinical quality and financial efficiency. This transition presents a host of challenges for organizations that historically operated under volume-driven reimbursement structures. In the post-acute sector — where care complexity, transitional coordination, and patient acuity are rising — building the right foundation for value-based care (VBC) is critical to long-term viability.

STRATEGIC IMPERATIVES FOR VALUE-BASED TRANSFORMATION

To successfully participate in VBC programs, post-acute organizations must implement strategies that balance clinical integrity with contractual accountability. These include:

- **Establishing dedicated care coordination teams** to manage patient transitions between acute and post-acute settings, improve communication across providers, and reduce costly rehospitalizations.
- **Integrating social determinants of health (SDOH)** into patient assessments, care plans, and resource allocation strategies to proactively address non-clinical factors influencing recovery and readmissions.
- **Reengineering internal quality management frameworks** to align with payer-specific metrics, CMS star ratings, and regulatory quality benchmarks, enabling more accurate performance measurement and reporting.
- **Implementing real-time performance monitoring** to feed provider and patient insights back into clinical training, workflows, and operational decision-making in support of Continuous Quality Improvement (CQI).

These initiatives represent more than operational adjustments — they require a philosophical and cultural shift. Leadership must champion a move from short-term productivity metrics to longer-term value creation across the care continuum.

OPERATIONAL MATURITY AND PAYER ALIGNMENT

Providers entering or expanding their value-based contracts must also develop strong internal competencies around contract management, data transparency, and risk stratification. This involves upgrading EHR systems, interoperability capabilities, and analytics platforms to meet payer demands for evidence-based performance outcomes.

In addition, organizations must embrace closer alignment with payers and risk-bearing entities to ensure contract terms reflect realistic operational capabilities. Collaborative care models, shared savings arrangements, and joint accountability frameworks are becoming increasingly common among high-performing post-acute providers.

PREPARING FOR THE FUTURE OF POST-ACUTE CARE

The shift toward value is accelerating. Medicare Advantage penetration continues to rise, and commercial payers are extending VBC expectations deeper into the post-acute sector. Providers that invest now in the systems, talent, and leadership strategies necessary to thrive under VBC will be better positioned to secure preferred network status, improve patient satisfaction, and achieve sustainable margin growth in the years ahead.

Additional Trends in Post-Acute Care

The Impact of CMS's TEAM Model on Post-Acute Care Providers

The Transforming Episode Accountability Model (TEAM) is CMS's newest mandatory episode-based payment model launching January 1, 2026, aimed at fundamentally reshaping payment for inpatient surgical episodes. TEAM builds on lessons from previous episode-based models by expanding scope, requiring mandatory participation in select metropolitan areas, and aligning closely with CMS's broader value-based care priorities.

TEAM's core goals promote high-quality, coordinated surgical care that reduce complications and hospital readmissions, lower Medicare spending while maintaining or improving outcomes, strengthen provider accountability by tying payment to performance, and uniquely integrate equity as a foundational component.

By requiring hospitals to be accountable for the entire 30-day surgical episode — including post-acute care — TEAM fosters integrated care pathways that emphasize both cost efficiency and improved outcomes. The model's sophisticated risk adjustment accounts for social determinants of health, ensuring underserved populations receive equitable care.

For the post-acute care industry, TEAM marks a significant shift toward collaborative, performance-driven partnerships with hospitals. PAC organizations will play a critical role in helping hospitals succeed under TEAM by delivering efficient, high-quality, and coordinated care that minimizes readmissions and supports smooth transitions from hospital to home.

THIS CREATES A CLEAR OPPORTUNITY FOR PAC ORGANIZATIONS TO:

- **Demonstrate value** through performance on key quality metrics like readmission rates, length of stay, and patient satisfaction.
- **Position themselves** as preferred partners by offering transparency into outcomes and operational efficiency.
- **Leverage data** to show alignment with hospital goals and share insight into how care delivery supports TEAM's cost and quality targets.
- **Target strategic hospital relationships** in mandatory participation regions by proactively aligning care pathways and demonstrating readiness to collaborate under TEAM.

To fully engage with TEAM, PAC organizations need to understand which hospitals are included, how their performance impacts hospital incentives, and where their services can most directly influence patient outcomes and cost savings. Promoting clear values aligned with hospital performance metrics — particularly in areas like quality of care, equity, and patient experience — will be key to establishing and deepening partnerships under this model.

Ultimately, TEAM exemplifies CMS's commitment to value-based care by linking payment to quality and equity outcomes, incentivizing providers across the care continuum to deliver high-value, patient-centered surgical care.

Additional Trends in Post-Acute Care

Trending Use Cases for Artificial Intelligence in Post-Acute Care

Artificial Intelligence (AI) is rapidly emerging as a transformative force in post-acute care, enabling providers to address structural inefficiencies, mitigate workforce constraints, and drive performance at scale.

As part of this report's *Voices of Experience* interviews with post-acute leaders, several clear trends emerged around how organizations are beginning to adopt and explore AI – with the following themes consistently highlighted for their potential to deliver measurable outcomes and support sustainable growth.

EMERGING AI USE CASES IN POST-ACUTE CARE:

- **Risk Stratification and Insights**

  Leveraging AI to automate administrative tasks and support the early identification of high-risk patients, enabling proactive care and more efficient resource use, with a focus on improving care coordination and reducing operational strain.

- **AI-Powered Ambient Documentation & Workflow Efficiency**

  AI-driven documentation tools help clinicians capture accurate, timely notes with minimal manual input – improving compliance, quality reporting, and reducing time spent on non-clinical tasks. By streamlining repetitive workflows, these tools also help alleviate burnout, boost job satisfaction, and support workforce retention.

- **Operational Analytics**

  Beyond clinical workflows, AI is being applied to operational planning and resource optimization, helping leaders make data-informed decisions on staffing, scheduling, and care planning.

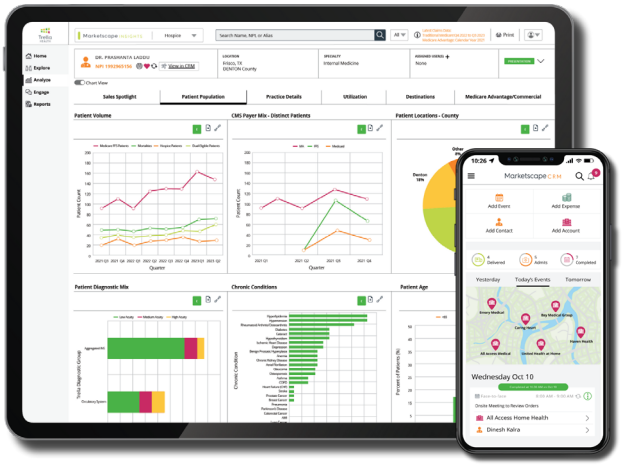
- **Strategic and Measured Adoption**

  PAC leaders are taking a pragmatic approach to AI — prioritizing targeted, high-impact use cases with clear ROI before expanding more broadly. For organizations starting their AI journey, making small, manageable integrations — like operational insights or clinical documentation — can lead to significant long-term improvements in efficiency and care quality.

With growing pressure to deliver high-quality, accountable care in resource-constrained environments, AI offers a unique opportunity to optimize operations, enhance care delivery, and remain competitive in a dynamic healthcare landscape.

About Trella Health

Trella Health's unmatched market intelligence and purpose-built CRM allow post-acute providers and suppliers to drive more effective performance and growth. Trella's solutions allow post-acute, HME, and infusion organizations to identify the highest-potential referral targets, evaluate new market opportunities, and monitor performance metrics. Paired with CRM and EHR integrations, business development teams can better manage referral relationships to advance their organizations with certainty by improving their sales and marketing strategy.



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