



To better care for its members with multiple chronic conditions, health insurance giant Humana Inc. (NYSE: HUM) is teaming up with DispatchHealth to offer advanced hospital-level care in the home.

While the news comes roughly two months after federal health care policymakers paved the way for hospital-at-home Medicare reimbursement, the Humana-DispatchHealth agreement is something the two companies are opting to do themselves.

Louisville, Kentucky-based Humana is both a payer and in-home care provider. Its home-based care business lines include Humana At Home and Kindred at Home, the largest home health provider in the U.S., [according to LexisNexis](#). The company's Medicare Advantage (MA) memberships include 4.5 million beneficiaries.

Meanwhile, Denver, Colorado-based DispatchHealth offers mobile high-acuity services through its emergency medicine-trained teams. The company currently operates in 18 states.

Under the Humana-DispatchHealth agreement, announced Monday, the pair will work together to initially offer hospital-level care services in Denver and Tacoma, Washington. Later this year, the initiative will expand to serve patients in Texas, Arizona and Nevada.

The new in-home care initiative is focused on treating medical conditions that require urgent intervention but not necessarily hospitalization. Some of the chronic conditions include chronic obstructive pulmonary disease (COPD), heart failure, cellulitis, urinary tract infections and more.

In order to determine who is a good fit for the initiative, Humana plans on using analytics to identify which members frequently or inappropriately use the ER for non-emergent care, Susan Diamond, home care business president at Humana, told Home Health Care News.

“We will identify those members and do outreach to educate them on the availability of home-based services,” Diamond said. “We’ll encourage them to contact Dispatch in an event where they feel like they might need to visit the ER. We’re doing this so we can get more of our members using an appropriate site of care.”

Humana’s physician network of providers can also refer patients to receive care from DispatchHealth, Diamond noted.

On its end, DispatchHealth’s team of clinicians also performs a home assessment to determine if patients’ living conditions are conducive to the hospital-at-home initiative. Patients additionally receive a “call button” that connects them to DispatchHealth’s team 24/7.

“They’ll have daily visits from our team and twice-a-day nursing visits,” DispatchHealth CEO Dr. Mark Prather told HHCN. “In many instances, they’ll have physical therapy brought into the home. They may even have a 24-hour attendant if that’s what is required. We could arrange for meal preparation or even meal education.”

The newly announced initiative from Humana and DispatchHealth should come as no surprise to those who have been watching both organizations closely. Last year, DispatchHealth announced it raised [\\$135.8 million more in growth capital](#), with key investment coming from Humana.

Rethinking acute care to secure savings

Even before the new agreement with Humana, DispatchHealth has proven its hospital-at-home model to be successful. After launching its [Advanced Care](#) model in 2019, the company saved an average of \$6,200 per individual after hospitalizing 27 patients in their homes.

As part of its initiative with Humana, DispatchHealth will commit to managing patients for almost 30-days, which lowers readmissions substantially, Prather added. This means savings on the initial payment, as well as the savings on the readmissions.

Overall, DispatchHealth has saved over \$227 million in medical costs since launching in 2013, according to the company.

“In our acute model, most of the time, we’re saving a trip to the emergency room, but also sometimes a transport via 911,” Prather said. “We’re also, in some instances, getting patients who would traditionally be observed in the hospital. Those are the predominance of the savings we’re seeing there in that number.”

For Humana, the arrangement with DispatchHealth makes financial sense, but the true value-add appears in the form of better health outcomes, according to Diamond.

When older and frailer patients enter the hospital, for example, they are often in a bed and unable to move around during the course of their in-patient stay. As a result of being so stationary, patients sometimes experience deconditioning, which further delays patients' chances of returning home.

"They're required to then go into a post-acute care setting for rehab, resulting in an even longer stay before they can get back home," Diamond said.

Additional health issues such as depression and malnutrition can also arise from an in-patient stay. Remaining in the home lowers the chances of that deconditioning, in turn, leading to lower readmissions.

"From a dollar-and-cents perspective, we will see lower readmissions. We will see less need for post-acute care," Diamond said. "This [initiative] takes more of a 30-day episode of care approach, where [DispatchHealth] will continue to watch the member even after their admission and address those things that would otherwise potentially require alternative settings."

Since the U.S. Centers for Medicare & Medicaid Services (CMS) announced its new hospital-at-home waiver in November to help battle COVID-driven acute care capacity challenges, there has been considerable interest in providing acute care in the home.

So far, CMS's Acute Hospital Care At Home initiative includes more than 35 health systems and more than 90 hospitals in 20 states.

Humana and DispatchHealth's agreement doesn't fall under the waiver, but Diamond is pleased CMS has begun to lift barriers to support hospital-at-home models.

"Prior to the public health emergency and the most recent waiver, there actually wasn't a mechanism to provide these services for the Medicare population within the home," she said. "While Dispatch is not currently covered under the waiver, Medicare Advantage companies like Humana have the ability to contract with these types of companies and provide the services to our members."

At the moment, Humana plans on teaming up with DispatchHealth in five states. But as part of Diamond and Humana's mission to build an "inherently scalable" home-centric suite of services, other markets may eventually be added to that list.

"At Humana, our goal is to have the level of care DispatchHealth provides available to our members in their homes nationwide," Diamond said. "We like Dispatch's model – highlighted by the patient satisfaction, quality and outcomes they've been able to demonstrate – and we will partner with them as they expand. Recognizing what we believe is a broad need, it will take time for these models to scale nationally, and we will continue to evaluate and possibly work with other providers as well."