7 Benefits of Per Visit Pay for Home Health Agencies

Discover the benefits of per visit pay for home health agencies, from enhanced clinician flexibility to improved patient satisfaction and optimized costs.

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With staffing shortages across the country and hits on reimbursement, many home health agencies are looking for new ways to balance meeting financial goals with incentives to attract and keep clinicians. One compensation model that has gained traction over the years is per visit pay. This model lets home health clinicians (like nurses and therapists) earn money based on the number of visits they make, instead of receiving a fixed salary or hourly wage.

But what exactly is per visit pay, and why is it so popular for home health?

What is per visit pay?

Per visit pay, also known as points or units, means clinicians get paid for every visit they complete, rather than for the number of hours they work. The amount they earn per visit can depend on factors like:

- Complexity: More difficult visits (like taking care of seriously ill patients) might pay more.

- Location: Visits in rural or hard-to-reach areas may pay more.
- Length: Longer visits, like those for patient evaluations (SOCs), may pay more.

For clinicians, this system can feel like performance-based pay, where they are rewarded for treating patients quickly and effectively.

Why is per visit pay so popular?

1) More freedom & control for clinicians

One of the most appealing aspects of per visit pay for clinicians is flexibility. Per visit pay gives clinicians control over their schedule and how much they earn. If they want to make more money, they can take on more visits. It also gives them flexibility to plan their schedule, making it easier to balance work with personal commitments like caring for a family member or attending a child's event.

In fact, in Home Health Nursing Job Satisfaction and Retention: Meeting the Growing Need for Home Health Nurses, Delores (Dede) J. McCreary DNP, RN, CNE with Penn State uncovered that independence and flexibility followed by relationships with patient and families were all top drivers of job satisfaction. And we all know that job satisfaction is a key driver behind quality care and retention.

2) Encourages productivity & census growth

Per visit pay motivates clinicians to complete visits efficiently. Since they get paid based on the number of visits they make, it creates a clear link between their work and their pay. This encourages them to manage their time well. Being more time-efficient also opens space to take on and serve more patients.

3) Enhances focus on quality of care

While some people worry that focusing on efficiency might reduce the quality of care, many agencies have found that per visit pay can improve care. By empowering clinicians to make the best decisions for their patients, they can still spend the right amount of time with each patient. To support high quality of care, agencies can use HHCAHPs and OASIS data to make sure quality outcomes are met.

Knowing that their compensation is tied to the value of each visit, per visit pay can motivate clinicians to go above and beyond, ensuring that patients receive the best possible care. This model rewards productivity and results rather than time spent, meaning that clinicians may become more focused on delivering effective, efficient care rather than simply fulfilling a fixed number of hours. This attention to detail can lead to better health outcomes for patients.

4) Improves patient satisfaction

When clinicians are motivated to complete visits efficiently and with high quality, patients often experience more effective care. This leads to better clinical outcomes and higher satisfaction with their care. Patients are more likely to feel heard, that their needs are being met, and the time spent with them is valuable. This improves the overall patient experience.

5) Optimizes costs & profitability

With per visit pay, agencies can optimize labor costs and better manage profitability. Often, direct costs to serve a patient are 40-50% of total revenue. When you add indirect costs, profit margins get tight. Agencies can use a simple calculation of reimbursement by payer type minus direct cost, a percentage of indirect costs, and desired profit margin to determine per visit pay.

Per visit pay creates a more predictable cost model which leads to better forecasting, cash flow, and reinvestment ability. Also, it can be especially helpful for agencies with large fluctuations in census.

6) Attracts a wider range of clinicians

The flexibility of per visit pay can attract clinicians that don't want to work a set schedule. For some, being able to choose their hours and workload by week is more appealing than a regular 9-to-5 job. But make sure that you're meeting employee classification requirements for compensation and ACA compliance reasons. There are other factors to consider when deciding if a clinician is a W2 employee vs. a 1099 contractor.

7) Transparency in earnings

Per visit pay is also easier to understand. Clinicians know exactly how much they'll earn per visit, which can make budgeting and planning simpler. Unlike hourly pay, which can be affected by things like overtime or breaks, per visit pay is straightforward–do the work, get paid.

Is per visit pay right for your agency?

If you're running a home health agency and considering per visit pay, here are some things to think about:

- Clinician Engagement: Make sure clinicians feel supported and motivated. Offer clear expectations, fair pay rates, and opportunities to provide feedback.
- Quality Control: Set up systems to ensure that clinicians are still providing high-quality care while working efficiently.
- Ensure Compliance: To follow ACA and FLSA requirements, you must track actual hours worked for overtime and benefit eligibility. If you're currently using a multiplier to convert visits into hours worked, you might be out of compliance. Having the right payroll system in place is crucial to avoid fines, penalties, and even lawsuits.

Per visit pay can be a smart choice for home health agencies looking to give clinicians more control over their earnings while also managing costs. It's flexible, motivates productivity, and can help attract a wider range of clinicians. When implemented correctly, it can also result in more efficient operations and greater patient satisfaction. However, it's important for agencies to address potential challenges, like maintaining patient care standards and ensuring financial stability for clinicians. With

the right approach, per visit pay can be a win-win for both agencies and clinicians, creating a more flexible and efficient workforce.

For home health agencies looking to attract and keep talented professionals, the per visit pay model could be a strategic way to create a more motivated, engaged workforce. As the home health care sector continues to evolve, exploring innovative compensation models like per visit pay can help agencies provide better care while maintaining a sustainable and efficient business model.

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