

Initiative to Reduce Avoidable Hospitalizations Among Nursing Facility Residents

CMS Medicare-Medicaid Coordination Office and
Center for Medicare & Medicaid Innovation



Avoidable hospitalization among nursing facility residents

- Two-thirds of nursing facility residents are enrolled in Medicaid, and most are also enrolled in Medicare (Medicare-Medicaid enrollees).
- Nursing facility residents are frequently subject to avoidable inpatient hospitalizations.
- These hospitalizations are expensive, disruptive, and disorienting, and nursing facility residents are vulnerable to risks that accompany hospital stays and transitions between nursing facilities and hospitals.
- Avoidable hospitalizations among nursing facility residents stem from multiple system failures.

Evidence that hospitalizations can be avoided

- Studies have estimated that 30% to 67% of hospitalizations among nursing facility residents could be prevented with well-targeted interventions (Jacobson, et. al., 2010).
- 45% of hospital admissions among Medicare-Medicare enrollees receiving Medicare skilled nursing or Medicaid nursing facility services could have been avoided (Walsh et. al, 2010).
 - 314,000 potentially avoidable hospitalizations
 - \$2.6 billion in Medicare expenditures in 2005
- Past interventions have proven effective:
 - Evercare reduced hospital admissions by 47% and emergency department use by 49% (Kane, et. al, 2004).
 - Nursing facility-employed staff provider model in NY reduced Medicare costs by 16.3% (Moore & Martelle, 1996).
 - INTERACT II reduced hospital admissions by 17% (Ouslander, et. al., 2011).

Initiative to Reduce Avoidable Hospitalizations among NF Residents

- Joint Initiative of the Center for Medicare and Medicaid Innovation (Innovation Center) and the Medicare-Medicaid Coordination Office (MMCO).
- Primary objectives:
 - Reduce the frequency of avoidable hospital admissions and readmissions;
 - Improve resident health outcomes;
 - Improve the process of transitioning between inpatient hospitals and nursing facilities; and
 - Reduce overall health care spending without restricting access to care or choice of providers.

Intervention Requirements

- CMS will select awardees through a competitive process.
- CMS is not prescribing a specific clinical model.
- However, all interventions must include the following activities:
 - Hire staff who maintain a physical presence on site at nursing facilities and partner with nursing facility staff to implement preventive services;
 - Work in cooperation with existing providers;
 - Facilitate residents' transitions to and from inpatient hospitals and nursing facilities;
 - Provide support for improved communication and coordination among existing providers; and
 - Coordinate and improve management and monitoring of prescription drugs, including psychotropic drugs.

Intervention Requirements (cont.)

- Demonstrate a strong evidence base.
- Demonstrate strong potential for replication and sustainability in other communities and institutions.
- Supplement (rather than replace) existing care provided by nursing facility staff.
- Coordinate closely with State Medicaid and State survey & certification agencies and State public health and health reform efforts.
- Allow for participation by nursing facility residents without any need for residents or their families to change providers or enroll in a health plan.

Other Considerations

Proposed interventions may also include, but are not limited to:

- Education efforts with families/caregivers;
- Support for residents and nursing facility staff to facilitate a successful discharge to the community as appropriate;
- Health information technology tools to support sharing of care summaries across transitions in care and maintenance of accurate, up-to-date medication lists (e.g., EHR, Health Information Exchange, telemedicine);
- Enhanced behavioral health assessments, treatment, and management.

Target Population

- Primary target population is fee-for-service, long-stay Medicare-Medicaid enrollees in nursing facilities.
- Clinical interventions will focus on long-stay residents rather than those likely to experience a brief post-acute stay and then return home.
- Applicants must describe how they will target their proposed intervention to long-stay beneficiaries.
- CMS prefers that an intervention at a facility target all long-stay Medicare-Medicaid enrollees residing in the facility, as opposed to a subset of them.

Eligibility Guiding Principles

- Isolate measurement of new interventions or services on fee-for-service, long-stay Medicare/Medicaid enrollees:
 - Demonstrate impact above and beyond other services and models
 - Ensure beneficiary protections
 - Adhere to intervention requirements

NOTE: CMS will not provide individual confirmation of an organization's eligibility until after submission of a full application.

Eligible Applicants

- CMS will make cooperative agreement awards to “enhanced care & coordination providers” to implement interventions.
- Eligible applicants may include but are not limited to:
 - Organizations that provide care coordination, case management, or related services
 - Medical care providers, such as physician practices
 - Health plans (although this Initiative will not be capitated managed care, and will not apply to beneficiaries enrolled in Medicare Advantage)
 - Public or not-for-profit organizations, such as Aging and Disability Resource Centers, Area Agencies on Aging, Behavioral Health Organizations, Centers for Independent Living, universities, or others
 - Integrated delivery networks, if they extend their networks to include unaffiliated nursing facilities
- Non-profit and for-profit organizations are eligible to apply.

Entities Not Eligible to Apply

- Nursing facilities, entities controlled by nursing facilities, or entities for which the primary line of business is the delivery of nursing facility / skilled nursing facility services are not eligible to serve as enhanced care & coordination providers.
- Nursing facilities are essential partners in implementing this Initiative.
- We are only planning to implement this Initiative at nursing facilities that are willing partners.

Organizations Generally Eligible

- Generally eligible:
 - Individual hospitals
 - Physician practices
 - Public or private, not-for-profit/for-profit organizations (e.g., Aging and Disability Resource Centers, Area Agencies on Aging, Behavioral Health Organizations, Centers for Independent Living, universities)
 - Care management / coordination companies
- Cannot be controlled by a nursing facility or have delivery of nursing facility / skilled nursing facility service as its primary line of business

Organizations Generally Eligible But...

- Generally eligible if partner with unaffiliated nursing facilities:
 - Assisted living, independent living, and CCRCs
 - Integrated delivery networks or health systems
 - Entities with common nursing facility ownership, management, or other related operations (e.g., physician practices, therapy companies, hospice)
- Health plans are generally eligible, but this Initiative is not managed care and must ensure beneficiary protections.
- Cannot be controlled by a nursing facility or have delivery of nursing facility / skilled nursing facility service as its primary line of business.

Other Federal Initiatives

- CMS is not seeking to fund interventions that compete or interfere with existing demonstrations.
- Organizations participating in other Federal initiatives (e.g., Accountable Care Organization models, Community- Based Care Transitions program, Bundled Payment for Care Improvement) must:
 - Disclose current participation and notification of future participation
 - Describe how participation in this Initiative will complement and support other initiatives
 - Ensure no duplicative funding or sharing Medicare savings for the same individuals served through this Initiative
 - Describe how the unique impact of this Initiative will be measured above and beyond existing initiatives.
 - See Restrictions / Limitations section on pages 11-13 of the funding opportunity announcement.

Billing

- Practitioners funded through this Initiative will not be permitted to separately bill Medicare or Medicaid for services delivered to the nursing facility residents involved in this Initiative.
- For example, if an awardee (enhanced care & coordination provider) hires nurse practitioners as part of this Initiative, those nurse practitioners cannot also bill Medicare or Medicaid for services rendered to nursing facility residents at the facilities participating in this Initiative. (See Section 4.5 on page 21 of the funding opportunity announcement.)

Nursing Facility Partnerships

- Success in achieving the aims of this Initiative will depend on both the strength and efficacy of the clinical intervention and the effectiveness of engagement between the enhanced care & coordination provider and its partnering nursing facilities.
 - Nursing facility participation is voluntary
 - Applicants must demonstrate a high level of engagement with the nursing facilities included in their application.
 - Applications must include letters of intent from a minimum of 15 Medicare- and Medicaid-certified nursing facilities within the same State, with an average census of 100 residents or more per facility.
 - The average census of 100 residents or more per facility is across all 15+ nursing facility partners rather than for each facility.
 - Model should be implemented consistently across all nursing facilities.

Nursing Facility Partnerships (cont.)

- Preference for implementation in geographic locations with high Medicare costs, high hospital readmission rates, and where Medicare-Medicaid enrollees represent a high percentage of nursing facility residents.
- Restrictions /Limitations on partnering facilities
 - Facilities in which more than 25% of the residents (long-stay) are enrolled in Medicare managed care;
 - Hospital-based nursing facilities with a resident profile made up of less than 50% of beneficiaries with Medicaid as their primary payer;
 - Special focus facilities; or
 - Nursing facilities with outstanding major survey violations for immediate jeopardy to resident health or safety.

State Role

- States are critical partners in achieving this Initiative's objectives.
 - Play significant role in setting payment policy and monitoring quality of care for nursing facility services.
- CMS is only interested in implementing this Initiative where States will be willing partners.
- Requirements for Initiative application:
 - All applicants must obtain a letter(s) of support from their State's Medicaid director and Survey and Certification director.
 - States may, at their discretion, offer support to multiple applicants or none at all.
 - It is the applicant's responsibility to obtain and submit the letter(s).

State Role (cont.)

- State role during implementation of the Initiative:
 - In States where enhanced care & coordination providers are selected, CMS will sign an MOU with State Medicaid and State survey and certification agencies.
 - State responsibilities under the MOU include:
 - Provide Medicaid claims data to support monitoring and evaluation (State Medicaid agency)
 - Communicate the State's support of the Initiative to surveyors and participating nursing facilities (State survey and certification agency)
 - CMS will keep States informed on implementation and evaluation, such as through interim findings and learning and diffusion activities.

Funding

- Overall Initiative size: Approximately 7 cooperative agreement awards to implement the Initiative in approximately 150 nursing facilities.
 - Please note that the approximately 150 nursing facilities is an estimate. The actual number of nursing facility participants will depend upon the number of partners proposed in the application.
 - CMS is more interested in the quality of nursing facility partners than the overall number, but applicants are encouraged to propose more than 15 partners in the same State.
- Total funding is up to \$128 million plus \$6.4 million in supplemental funds that may be allocated based on operational, quality, and savings criteria.
- Awards expected to range from \$5 million to \$30 million for each enhanced care & coordination provider over a 4-year period.

Multi-State Applications

- CMS anticipates that each award will take place in one State.
- Applicants may propose to implement an intervention in multiple States but its application must include:
 - Letters of support from each State Medicaid director and State survey and certification director; and
 - Letters of intent from at least 15 Medicare- and Medicaid-certified nursing facilities in each State.

Implementation and Oversight

- CMS and its contractors will conduct program monitoring throughout the cooperative agreement period of performance. These activities include:
 - Conducting readiness reviews for each enhanced care & coordination provider prior to implementing its clinical intervention;
 - Conducting quarterly chart reviews of a sample of nursing facility residents to ensure that hospital care is not being inappropriately withheld;
 - Establishing, organizing, and leading learning and diffusion activities;
 - Calculating annual quality scores and combined Medicare and Medicaid savings estimates to assist CMS in determining supplemental funds awards; and
 - Monitoring enhanced care & coordination provider compliance with Medicare and Medicaid billing restrictions.

Evaluation

- CMS will contract with an outside evaluator.
- It will include a broad set of evaluation measures, such as:
 - Hospitalization rate
 - Readmission rate
 - Quality of care
 - Resident experience
 - Medicare expenditures
 - Medicaid expenditures

Next Step: Notice of Intent to Apply

- Potential applicants must submit a non-binding Notice of Intent to Apply (NOIA) to be eligible for a funding award.
- NOIAs are due by 3:00 PM Eastern Time on **May 7, 2012**
- NOIAs must include the following information:
 - Name of the applicant organization;
 - Name(s) of any operating partners (for other services, not nursing facility partners);
 - Name of organization point of contact, including:
 - Phone number;
 - Email address;
 - The organization's location;
 - Proposed target geographic location of the proposed intervention; and
 - State in which it is considering implementing the Initiative.
- NOIAs can be submitted at: <http://www.innovations.cms.gov/initiatives/rahnfr/index.html>

Other Key Dates

- Full applications due by 3:00 PM on June 14, 2012.
 - Organizations are encouraged to apply in advance of this date.
 - See full application requirements starting on page 33 of the funding opportunity announcement.
 - Must be submitted through <http://www.grants.gov/>
- Awards anticipated August 24, 2012.
- Start-up activities, including readiness reviews, must be completed before implementation begins.
 - See page 18 of the funding opportunity announcement for schedule of deliverables.
- Anticipated period of performance: August 2012 to August 2016.

More Information

- Visit the following websites for more information:

<http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/ReducingPreventableHospitalizationsAmongNursingFacilityResidents.html>

<http://www.innovations.cms.gov/initiatives/rahnfr/index.html>

- To apply, please see <http://www.grants.gov/> by searching for CFDA Number 93.621.
- Email questions to: NFInitiative2012@cms.hhs.gov. Programmatic questions received after May 31, 2012 are not guaranteed a response.

Other Resources

- CMS Office of Clinical Standards and Quality / Survey & Certification Group Memorandum to State Survey Agency Directors, March 16, 2012:
 - <http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/SurveyCertificationGenInfo/Downloads/SC12-23-Opportunity-to-Reduce-Need-for-Hospitalizations.pdf>
- MMCO - Innovation Center – CMCS Informational Bulletin, March 23, 2012:
 - <http://www.medicaid.gov/Federal-Policy-Guidance/Downloads/CIB-03-23-12.pdf>