

## **INITIATIVE TO REDUCE HOSPITALIZATIONS AMONG NURSING FACILITY RESIDENTS**

(Funding Opportunity number: CMS-1E1-12-002, CFDA Number: 93.621)  
The funding opportunity announcement and other information can be found at  
<http://innovation.cms.gov/initiatives/rahnfr/>

### **FREQUENTLY ASKED QUESTIONS (FAQ)**

1. **The funding opportunity announcement states that the proposals must include staff that maintains a physical presence at the partnering nursing facilities. Is there a specific number of hours that is required to be on site?**
  2. **“My organization is owned by a company whose primary line of business is the delivery of skilled nursing facility/ nursing facility services. Would my organization be eligible to serve as an enhanced care and coordination provider?”**
  3. **“My organization or my parent company owns nursing facilities, but the delivery of nursing facility services is not their primary line of business. Would my organization be eligible to serve as an enhance care and coordination provider?”**
  4. **If an entity is still unsure about their eligibility, what factors can also be considered to perform a self-assessment?**
  5. **Are other Federal contractors, such as Quality Improvement Organizations (QIOs), eligible to participate in this Initiative?**
  6. **Why is there a requirement for the nursing facilities included on an application to have an average size of 100 residents and how is it applied?**
  7. **Are all hospital-based nursing facilities excluded from this initiative?**
  8. **Facilities in which more than 25% of the residents are enrolled in Medicare managed care are excluded from participating as nursing facility partners. Does the 25% apply to all residents in the nursing facility?**
  9. **How can we assess whether we are positioned to implement the Initiative despite the presence of another existing Federal initiative (e.g., Accountable Care Organization, Community-based Care Transitions Program, Bundled Payments for Care Improvement)?**
  10. **Can an organization propose to implement the Initiative in the same State as a financial alignment demonstration to coordinate care for Medicare-Medicaid enrollees?**
  11. **Can enhanced care & coordination providers make payments to nursing facility partners?**
  12. **What data are available to assist with preparation of submitting a proposal?**
  13. **How will CMS evaluate this Initiative?**
-

- 1. Q: The funding opportunity announcement states that the proposals must include staff who maintain a physical presence at the partnering nursing facilities. Is there a specific number of hours that staff are required to be onsite?**

A: CMS is not prescribing the number of hours that the applicant's staff needs to spend at the participating nursing facilities. Rather, applicants shall describe the organizational structure and staffing needed to achieve the objectives of the Initiative. The following items should be included in proposals:

- The qualifications of staff involved in the day-to-day work with nursing facility residents;
- Staffing levels and ratios;
- The hours during the week when staff will be onsite and accessible to each nursing facility;
- The roles and responsibilities of each staff member; and
- How staff will work in cooperation with nursing facility residents, nursing facility staff, hospital staff (including attending physicians), residents' primary care physicians, pharmacists, and residents' families and how communication will be improved among these individuals.

Applications should also include the proposed responsibilities and the percentage of time that key personnel would dedicate to the project. Required personnel include clinical staff who will maintain a physical presence in nursing facilities, a project director, and a medical director. See I.4 Program Requirements and IV.2.B.vi.1.2 Staffing of the Intervention Model in the funding opportunity announcement for more information.

[\(Back to Top\)](#)

- 2. Q: "My organization is owned by a company whose primary line of business is the delivery of skilled nursing facility/ nursing facility services. Would my organization be eligible to serve as an enhanced care and coordination provider?"**

A: Organizations whose parent company's primary line of business is the delivery of skilled nursing / nursing facility services would be ineligible to serve as enhanced care and coordination providers.

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

[\(Back to Top\)](#)

- 3. Q: "My organization or my parent company owns nursing facilities, but the delivery of nursing facility services is not its primary line of business. Would my organization be eligible to serve as an enhanced care and coordination provider?"**

A: The entity identified in this question is considered to be under common ownership of nursing facilities. Examples of these types of organizations include (but are not limited to) the following:

- Integrated delivery networks or health systems which are often comprised of multiple hospitals, nursing facilities, primary care, and other health care providers.
- Assisted living or continuing care retirement communities (CCRCs).

These entities may be eligible for this opportunity provided that they meet all other eligibility and program requirements, *and* they partner with a minimum of 15 unaffiliated nursing facilities that are not under common ownership, management, or other operations.

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

[\(Back to Top\)](#)

**4. Nursing facilities, entities controlled by nursing facilities, or entities for which the primary line of business is the delivery of skilled nursing facility/ nursing facility services are excluded from serving as enhanced care and coordination providers under this cooperative agreement.**

**Q: If, after considering the above exclusion, an entity is still unsure about its eligibility, which factors can also be considered to perform a self-assessment?**

A: Applicants should consider whether they can demonstrate that they are not any of the excluded organizations and can also clearly demonstrate the following:

- The proposed intervention is additive to the core skilled nursing facility/nursing facility services (e.g., services, staff, etc.) and can be tracked separately;
- The unique impact of the intervention can be measured and attributed to the intervention; and
- The applicant and/or the proposed intervention does not give the appearance that nursing facilities are being directly funded for functions that could be reasonably interpreted as services currently available to beneficiaries.

In addition to the above factors, applicants will need to meet all other requirements set forth in the funding opportunity announcement.

Note: Entities that own, manage, or operate nursing facilities, but whose primary line of business is NOT the delivery of skilled nursing facility/nursing facility services (e.g., integrated delivery networks or health systems), may be eligible for this opportunity provided that they meet all other eligibility and program requirements, *and* they partner with a minimum of 15 unaffiliated nursing facilities that are not under common ownership, management, or other operations.

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

[\(Back to Top\)](#)

**5. Q: Are other Federal contractors, such as Quality Improvement Organizations (QIOs), eligible to participate in this Initiative?**

A: The funding opportunity announcement does not explicitly exclude Quality Improvement Organizations or other types of Federal contractors from being eligible to participate in this Initiative. However, these organizations should review their existing Federal contracts and adhere to any policies that may be listed in those agreements or any restrictions that might exist under Federal statutes or regulations. QIOs, for example, can only participate in this Initiative under a contract that is separate from their current contracts with CMS under the QIO statute. In addition, QIOs must ensure that their participation will not create a conflict of interest or potential conflict, will not duplicate their current activities, and that being involved in the Initiative will not interfere with their obligation to make their QIO work primary to all other interests and activities.

For some kinds of contractors these policies include submitting information and seeking approval from an administrator of an existing contract, within a given time-frame, prior to being eligible to receive another award. As with all applicants, organizations with current CMS contracts need to explain how the proposed intervention differs from existing practices and services provided in proposed nursing facility partners.

[\(Back to Top\)](#)

**6. Q: Why is there a requirement for the nursing facilities included on an application to have an average size of 100 residents and how is it applied?**

A: This requirement in the funding opportunity announcement helps to ensure that we have a statistically robust pool of data to evaluate the Initiative's impact (I.4.1 Intervention Requirements, Nursing Facility Partnerships in the funding opportunity announcement). Note: This is the average number of all residents (long-stay and short-stay) across all 15+ nursing facility partners (total residents/total facilities); we are not requiring that each of the 15+ nursing facility partners have 100 or more residents.

[\(Back to Top\)](#)

**7. Q: Are all hospital-based nursing facilities excluded from this Initiative?**

A: CMS has revised the requirement regarding hospital-based facilities. Hospital-based facilities with a resident profile made up of less than 50% of beneficiaries with Medicaid as their primary payer are excluded from this Initiative.

[\(Back to Top\)](#)

**8. Q: Facilities in which more than 25% of the residents are enrolled in Medicare managed care are excluded from participating as nursing facility partners. Does the 25% apply to all residents in the nursing facility?**

A: The 25% threshold applies only to those residents in nursing facilities who are ‘long-stay’ residents. This Initiative defines ‘long-stay’ residents as those who have resided in a nursing facility for 100 days or more or are identified on the Minimum Data Set assessment as residents expected to remain in the facility. Medicare managed care includes Medicare Advantage plans and any plan where capitation payments cover inpatient and other Medicare Parts A and B services. For purposes of this calculation, beneficiaries in stand-alone prescription drug plans do not count towards the 25% criterion. Please note that the 25% criterion does not apply to Medicaid managed care.

[\(Back to Top\)](#)

**9. Q: How can we assess whether we are positioned to implement the Initiative despite the presence of another existing Federal initiative (e.g., Accountable Care Organization, Community-based Care Transitions Program, Bundled Payments for Care Improvement)?**

A: CMS will accept applications from entities participating in other Federal initiatives or entities operating in the same geographic area as other Federal initiatives. For more information on the geographic locations of other Federal initiatives (e.g., demonstrations, Accountable Care Organizations, etc.), please see <http://www.innovations.cms.gov/>. However, the applicant must inform CMS of its participation or the participation of any partnering nursing facilities in other Federal initiatives and also describe how participation in this Initiative will complement and support other health reforms, without leading to duplicative funding or circumstances where an organization already has an arrangement to share in Medicare savings for the same individuals served through this Initiative. Additionally, the applicant must describe how the CMS evaluation of its intervention would measure the intervention’s unique impact (including the unique impact on Federal and State costs), above and beyond existing initiatives. If selected by CMS for participation in this Initiative, the enhanced care & coordination providers shall inform CMS on an ongoing basis of its participation in any other Federal initiatives. Please see I.4.1 Intervention Requirements, Restrictions/Limitations in the funding opportunity announcement.

[\(Back to Top\)](#)

**10. Q: Can an organization propose to implement the Initiative in the same State as a Financial Alignment Demonstration to coordinate care for Medicare-Medicaid enrollees?**

A: In a separate project, CMS has contracted with 15 States to design new integrated care programs for Medicare-Medicaid enrollees, which could include initiatives for individuals in nursing facilities. In addition to these 15 States, other States are interested in integrating care for their Medicare-Medicaid enrollees. The list of States that

submitted letters of intent and are pursuing Financial Alignment Demonstrations can be found at: <http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialModelstoSupportStatesEffortsInCareCoordination.html>.

CMS will accept applications from entities proposing to operate in States pursuing a Financial Alignment Demonstration. However, the applicant will need to present a compelling case that the activities funded through this Initiative would work in synergy and not diminish the value to CMS from funding both initiatives in the same State. Please see I.4.1 Program Requirements, Restrictions / Limitations of the funding opportunity announcement.

For States that are applying to participate in the Capitated Financial Alignment Demonstration, potential applicants should consider how that demonstration might change the extent to which long-stay Medicare-Medicaid enrollees residing in nursing facilities receive their care through a Medicare fee-for-service program versus a Medicare managed care program.

For States that are applying to participate in the Managed Fee-for-Service Financial Alignment Demonstration, applicants should consider the extent to which the Financial Alignment Demonstration and this Initiative may duplicate the services provided to long-stay Medicare-Medicaid enrollees residing in nursing facilities.

Please note that the Financial Alignment models vary by State in their target geographic reach, beneficiary population, and timing for implementation. These proposals will all require CMS approval.

[\(Back to Top\)](#)

**11. Q: Can enhanced care and coordination providers make payments to nursing facility partners?**

A: Applicants may propose to include funds for nursing facility partners in their proposed budgets for this Initiative, subject to the requirements of the funding opportunity announcement and any applicable laws. Applicants shall clearly describe how all funds requested will be used, including funds requested for nursing facilities partners. Please note that award dollars cannot be used for any of the restricted uses outlined in I.4.9 Restriction on Awards of the funding opportunity announcement and that any financial arrangement between an awardee and its partnering facilities must comply with applicable fraud and abuse laws in Titles XI and XVIII of the Social Security Act.

[\(Back to Top\)](#)

**12. Q: What data are available to assist with preparation of submitting a proposal?**

A: Upon receipt of applications for the Initiative, CMS will assess and give preference to applications that propose to implement interventions in geographic locations with high Medicare costs, high hospital readmission rates, and where Medicare-Medicaid enrollees

account for a high percentage of nursing facility residents. As you construct your application, it may be helpful to review the data using the resources listed in 4.1 Intervention Requirements, Restrictions / Limitations of the funding opportunity announcement. These resources include:

- <https://www.cms.gov/Insight-Briefs/downloads/PAHInsightBrief.pdf>: CMS has analyzed the prevalence and cost of potentially avoidable hospitalizations for individuals who are eligible for both Medicare and full Medicaid benefits. Using data from 2005, this CMS report provides data on potentially avoidable hospitalizations for Medicare-Medicaid enrollees by source and State.
- <http://lctfocus.org/default.aspx>: This website is a product of the Shaping Long-Term Care in America Project at the Brown University Center for Gerontology and Healthcare Research and supported by the National Institute on Aging. The website contains data on the characteristics of nursing facilities and the residents they serve, including re-hospitalization rates by nursing facility and the percent of residents enrolled in Medicare and Medicaid.
- <http://www.healthindicators.gov/>: The Health Indicators Warehouse is a collaboration of many agencies and offices within the U.S. Department of Health and Human Services, and is maintained by the Center for Disease Control's National Center for Health Statistics. The website contains data on demographic, cost, utilization, and quality indicators for all hospital referral regions and States. For more information regarding hospital referral regions and how to determine which hospital referral region a nursing facility corresponds to, see <http://www.dartmouthatlas.org/downloads/methods/geogappdx.pdf>.
- [http://www.cms.gov/DemoProjectsEvalRpts/downloads/CCTP\\_FourthQuartileHospitalsbyState.pdf](http://www.cms.gov/DemoProjectsEvalRpts/downloads/CCTP_FourthQuartileHospitalsbyState.pdf): The CMS Community-based Care Transitions Program (CCTP) has developed a list of "high readmission hospitals," which provides 30-day Medicare hospital readmission rates for acute myocardial infarction, heart failure, and pneumonia by State and city. While this document was developed to determine eligibility for CCTP, it may be helpful in identifying geographical locations with high hospital readmission rates.

In addition to the resources provided within the funding opportunity announcement, potential applicants may also want to explore <http://www.data.gov/>, which provides a collection of useful Medicare and Medicaid data and additional data as it relates to health care utilization, cost, coverage, access, population health, and health determinants. The website also makes available other data pulled from a variety of Federal government agencies and links to additional data resource sites.

Finally, organizations may also want to access the Medicare.gov Nursing Home Compare website (<http://www.medicare.gov/NHCompare>), which contains information on Medicare and Medicaid certified facilities such as location, size, and census.

Please note that CMS does not plan to provide additional data to applicants for purposes of preparing applications for this Initiative.

[\(Back to Top\)](#)

**13. Q: How will CMS evaluate this Initiative?**

A: CMS will contract with an independent evaluator to assess the effect of each of the proposed interventions on the program's objectives, including:

- (1) Reduction in the frequency of avoidable hospital admissions and readmissions;
- (2) Improvement in nursing facility resident health outcomes;
- (3) Improvement in the transition process between inpatient hospitals and nursing facilities; and
- (4) Reduction in overall health care spending, without restricting access to care or choice of providers.

To do this, the independent evaluator will identify a broad set of evaluation measures for the Initiative, and also may develop measures for specific interventions. The evaluator will have access to nursing facility resident assessment data and data on nursing facility surveys and complaint surveys. Medicare and Medicaid claims data will be used to measure impact on combined Medicare and Medicaid expenditures. In addition, qualitative and quantitative data specific to the project will be collected by the evaluator.

A critical aim of the evaluation is to identify which interventions best meet the objectives of the Initiative and also understand the factors driving the results.

Please see I.4.4 Monitoring and Evaluation, Evaluation Contractor and VI.4 Reporting of the funding opportunity announcement for more information about the evaluation.

[\(Back to Top\)](#)