CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICARE AND MEDICAID INNOVATION

Findings at a Glance

Independence at Home

Evaluation of Year 9 (2022)
Third Year of the COVID-19 Pandemic

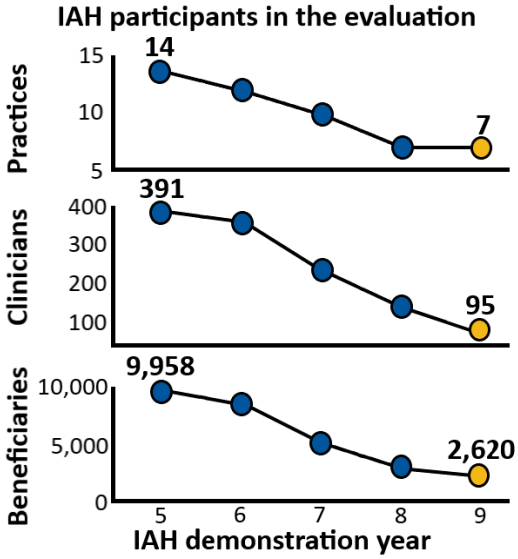
MODEL OVERVIEW

Independence at Home (IAH) was a Congressionally mandated demonstration project testing whether a payment incentive for home-based primary care reduces health care spending and improves the quality of care for high-cost, high-need fee-for-service Medicare beneficiaries. Participating home-based primary care practices could earn incentive payments if their beneficiaries' Medicare spending was less than a spending target and they met standards for a set of quality measures.

PARTICIPATION TRENDS

IAH began in 2012 with 18 participating practices, decreasing to 14 practices at the start of the demonstration's second extension in Year 5.

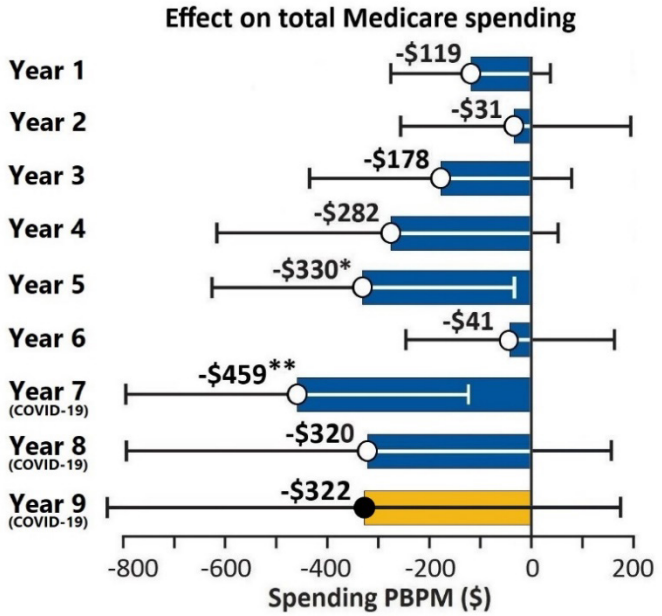
By Year 9, during the demonstration's third extension and the third year of the COVID-19 pandemic, only seven practices remained in IAH. The remaining practices had the lowest number of clinicians and beneficiaries of any previous performance year.



FINDINGS ON TOTAL MEDICARE SPENDING THROUGH YEAR 9

The effect of IAH on gross total Medicare spending in Year 9 was not statistically significant, with the reduction in the amount of $322 (7.5%) per beneficiary per month (PBPM) similar to the estimated effect in Year 8. The fact that so few practices and beneficiaries participated in the demonstration in Year 9 lessened confidence that there was a true reduction in total spending.

IAH likely did not reduce net total spending in Year 9. Before accounting for incentive payments, the estimated aggregate gross total spending reduction in Year 9 was $8.0 million. CMS paid IAH practices about $9.7 million in incentive payments, or roughly $1.6 million more than they achieved in estimated gross spending reductions.



Brackets show 90% confidence intervals; * $p < 0.1$, ** $p < 0.05$

KEY TAKEAWAYS

In Year 9, the number of participating clinicians and eligible beneficiaries in IAH declined for the fourth consecutive year.

IAH may have reduced gross total Medicare spending during Year 9, but likely not net of IAH incentive payments.

The effect on spending in Year 9 was concentrated among beneficiaries dually eligible for Medicare and Medicaid, as in Year 8.

This document summarizes the evaluation report prepared by an independent contractor. To learn more about the IAH demonstration and download the evaluation report, visit https://innovation.cms.gov/innovation-models/independence-at-home.

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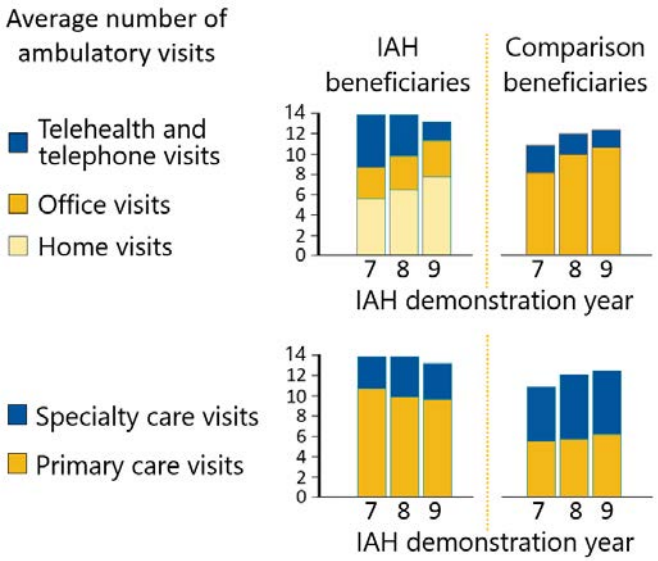
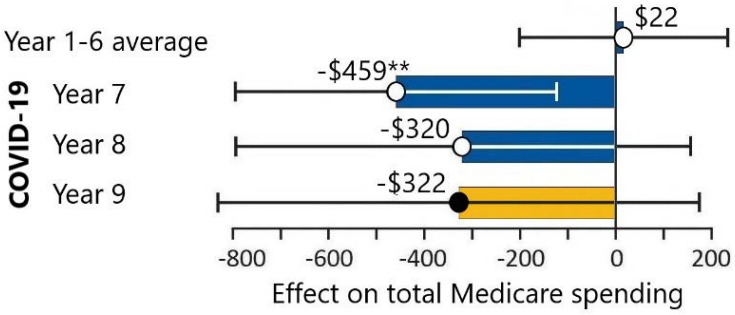
CARE FOR IAH BENEFICIARIES DURING THE COVID-19 PANDEMIC

Throughout the COVID-19 pandemic, IAH beneficiaries averaged more ambulatory visits than comparison beneficiaries and received many of these visits at home. IAH beneficiaries also had higher rates of telehealth and telephone visits than comparison beneficiaries in the first two years of the pandemic, contributing to the more frequent care they received. By Year 9, IAH beneficiaries' telehealth and telephone visit rates were similar to comparison beneficiaries' rates.

IAH beneficiaries received more primary care visits than comparison beneficiaries during the pandemic. Frequent primary care visits may have been more important during the pandemic to prevent or rapidly address acute health problems and exacerbations of chronic conditions.



EFFECTS OF IAH ON SPENDING DURING THE COVID-19 PANDEMIC



Notes: Effect on total Medicare spending reflects 10 practices in Years 1 to 6 and Year 7 and reflects seven practices in Years 8 and 9. Brackets show 90% confidence intervals; * $p < 0.1$, ** $p < 0.05$

The effects of IAH on spending were considerably larger during the COVID-19 pandemic than in previous years of the demonstration among practices that participated in IAH during at least one year of the pandemic.

Home-based primary care delivered by IAH practices may have been more effective at significantly reducing spending during the first year of the pandemic by keeping patients out of the hospital. COVID-19 diagnoses and hospitalizations did not play a direct material role in the effects of IAH.

EFFECTS OF IAH ON DUAL-ELIGIBLES DURING THE COVID-19 PANDEMIC

Beneficiaries dually eligible for Medicaid had larger estimated reductions in total Medicare spending in Year 9 and other COVID-19 pandemic years than non-dual-eligible beneficiaries. Inpatient and skilled nursing facility (SNF) spending declines contributed most to reductions in total Medicare spending for dually eligible beneficiaries. Reductions in mortality rates were also greater for dually eligible beneficiaries.

Effects of IAH by dual status	Total spending		Inpatient spending		SNF spending		Mortality	
	Dual	Non-dual	Dual	Non-dual	Dual	Non-dual	Dual	Non-dual
Year 7	*	*		*	*			*
Year 8	*		*		*		*	
Year 9	*		*		*		*	

10% or larger increase
5 to 10% increase
Effect between -5% and 5%
-5% to -10% decrease
-10% or larger decrease
* significant at the 90% confidence level

About 44% of IAH beneficiaries in Year 9 were dually eligible. Dually eligible IAH beneficiaries were more likely to be less than 65 years of age and qualified for Medicare through a disability compared with non-dually eligible beneficiaries.