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Findings at a Glance

Evaluation of the Initiative to Reduce Avoidable Hospitalizations among Nursing Facility Residents – Payment Reform (NFI 2)

Initiative Year 2 (FY 2018)

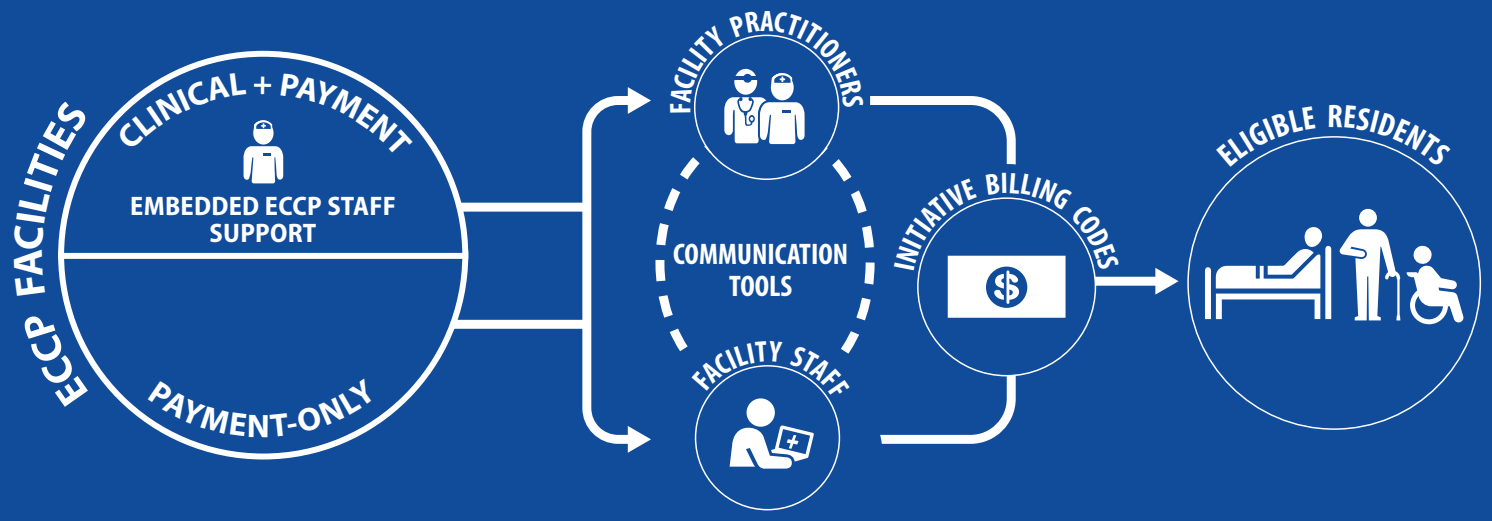
INITIATIVE OVERVIEW

This Initiative (NFI 2) tests whether a new payment model will reduce avoidable hospitalizations and related expenditures among eligible long-stay nursing facility (NF) residents. NFI 2 offers financial incentives to participating NFs and practitioners to provide in-house care to high-acuity residents with one of six qualifying conditions, rather than transferring residents to the hospital.

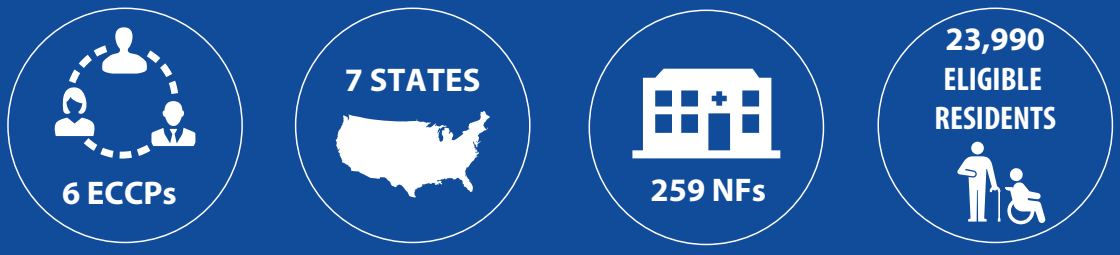
To implement NFI 2, CMS contracts with six Enhanced Care & Coordination Provider (ECCP) organizations that recruit NFs for two types of interventions:

a) Payment-Only facilities recruited specifically for NFI 2, which receive payment incentives only, and

b) Clinical + Payment facilities, recruited in the first phase of the Initiative (NFI 1), which receive payment incentives concurrently with clinical and educational interventions first implemented in NFI 1.



NUMBER OF PARTICIPANTS IN THE INITIATIVE, FY 2018



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SIX QUALIFYING CONDITIONS FOR THE INITIATIVE


Pneumonia


COPD/Asthma


Dehydration


CHF


Skin Infection


UTI

FINDINGS

CLINICAL + PAYMENT GROUP

- **No consistent favorable reductions** in hospital-related utilization and expenditures in Initiative Year 2. There were statistically significant increases in the probability and count of all-cause ED visits, in the count of potentially avoidable ED visits, and total Medicare expenditures.
- Only one ECCP, AQAF (AL), showed a favorable significant reduction in a utilization measure (all-cause hospitalizations). The majority of ECCPs experienced statistically significant increases in some utilization and expenditure measures in Initiative Year 2.

PAYMENT-ONLY GROUP

- **No consistent favorable reductions** in hospital-related utilization and expenditures in Initiative Year 2.
- Among eligible residents in the Payment-Only facilities, there was wide variation in the Initiative effects across ECCPs. Only one ECCP, RAVEN (PA), came close to all favorable declines, with statistically significant decreases in the probability of utilization for all-cause acute care transition (by 12.6%), expenditures for potentially avoidable hospitalizations (by 27.3%), and expenditures for potentially avoidable acute care transitions (by 28%).

INTERVIEW HIGHLIGHTS

- Although facilities support overall NFI 2 goals, facility staff and practitioner engagement vary based on number of eligible residents, competing facility priorities, and rates of leadership and staff turnover.
- Nursing facility and practitioner interviewees highlighted the importance of embedded ECCP nursing staff to facilitate clinical and educational interventions from NFI 1 and support billing documentation for NFI 2.
- According to interviews, many facilities made communication and care improvements prior to NFI 2, suggesting that the Initiative did not result in major care practice changes and instead reimburses facilities for care practices that were already in place.
- Engagement varied widely, with some facilities designating an Initiative champion to support NFI 2 billing and increase facility staff and practitioner buy-in.

KEY TAKEAWAYS

Second-year findings for NFI 2 showed inconsistent results. With scattered exceptions, **Clinical + Payment** facilities did not experience reductions in utilization and expenditures beyond what they previously achieved in NFI 1. **Payment-Only** facilities also showed both favorable and unfavorable results for Initiative Year 2. Together, the findings suggest that so far the financial incentives alone have not led to a major care practice change in participating facilities.

This document summarizes the evaluation report prepared by an independent contractor. To learn more about the NFI model and to download the full evaluation report, visit https://innovation.cms.gov/initiatives/rahnfr-phase-two/index.html