

Independence at Home Demonstration Performance Year 4 Results REVISED (August 2019) Fact Sheet

Home-based primary care allows health care providers to spend more one-on-one time with their patients, perform assessments in a patient's home environment, and assume greater accountability for all aspects of patient care. This focus on timely and appropriate care is designed to improve the overall quality of care and quality of life for patients served, while lowering health care expenditures by avoiding costly hospital care and forestalling the need for care in institutional settings.

The Independence at Home (IAH) Demonstration is authorized by Section 1866E of the Social Security Act, as added by Section 3024 of the Affordable Care Act (P.L. 111-148), extended for two years by the Medicare Independence at Home Medical Practice Demonstration Improvement Act of 2015, and as further extended and amended by section 50301 of the Bipartisan Budget Act of 2018 (BBA) for an additional two years, which began on January 1, 2019. The IAH Demonstration tests a payment incentive and service delivery model for home-based primary care for Medicare fee-for-service (FFS) beneficiaries with multiple chronic illnesses. The Demonstration tests whether home-based primary care that is designed to provide comprehensive, coordinated, continuous, and accessible care to high-need patients and to coordinate health care across all treatment settings reduces preventable hospitalizations, readmissions, and emergency department visits; improves health outcomes commensurate with beneficiaries' stage of chronic illness, improves the efficiency of care, reduces the cost of health care services, and achieves beneficiary and family caregiver satisfaction.

Beneficiaries' care is monitored using several quality measures. A benchmark, called the spending target, estimates the amount that would have been spent for applicable beneficiaries in the absence of the Demonstration. Practices that reduce their applicable beneficiaries' Medicare expenditures sufficiently below their spending targets may share in the difference between the actual expenditures and the spending target; the proportion of this amount that a practice may receive as an incentive payment is adjusted based on its performance on a set of associated quality measures.

Summary of Results from Performance Year 4

In Performance Year 4 of the Demonstration (October 1, 2015–September 30, 2016), the Centers for Medicare & Medicaid Services (CMS) found that the actual expenditures for IAH practices' applicable beneficiaries were approximately 8.9 percent (equating to \$32.9 million) below their spending targets, an average reduction of \$2,819 per beneficiary. For Performance Year 4, 13 out of the 14 IAH practices reduced the per-beneficiary-per-month (PBPM) expenditures relative to the practice's PBPM spending target.

CMS will provide incentive payments to seven practices (as shown in Table 1) that met the requirements for an incentive payment and whose actual expenditures for applicable beneficiaries were 5 percent less than their estimated spending target, for an aggregate amount of \$8,095,009. In Performance Year 4 of the Demonstration, 11,681 beneficiaries were enrolled in the Demonstration at 14 participating practices. For Performance Year 4, 13 out of the 14 IAH

practices met three or more out of the six quality measures. Five of those practices met the performance thresholds for all six quality measures.

**Table 1.
Performance Year 4 Results for Participating Practices**

| Independence at Home Practice Name | Year 4 Spending Target* | Year 4 Expenditures* | Practice Incentive Payment |
|--|--------------------------------|-----------------------------|-----------------------------------|
| Boston Medical Center | \$3,165 | \$3,024 | \$0 |
| Christiana Care Health System | \$3,308 | \$3,129 | \$0 |
| Cleveland Clinic Home Care Services | \$3,093 | \$3,069 | \$0 |
| Doctors Making Housecalls, LLC | \$2,902 | \$2,666 | \$987,952 |
| Comprehensive Geriatric Medicine P.C. d/b/a Doctors on Call | \$5,701 | \$5,111 | \$0 |
| Kindred House Calls | \$4,557 | \$4,393 | \$0 |
| Housecall Providers, PC | \$2,286 | \$1,627 | \$800,138 |
| Mid-Atlantic Consortium | \$3,172 | \$2,295 | \$2,070,946 |
| Northwell Health House Calls | \$3,691 | \$2,603 | \$1,902,459 |
| Visiting Physicians Association of Texas, PLLC – Dallas | \$3,876 | \$3,805 | \$0 |
| Visiting Physicians Association, P.C.— Flint/Saginaw/Marysville | \$4,372 | \$4,053 | \$554,257 |
| RMED, LLC | \$3,527 | \$3,542 | \$0 |
| Visiting Physicians Association, P.C.— Lansing/Ann Arbor | \$4,227 | \$3,608 | \$1,166,727 |
| Visiting Physicians Association, P.C.— Milwaukee | \$3,152 | \$2,757 | \$612,531 |

* The Year 4 Spending Target and Year 4 Expenditures are on a PBPM basis.

Quality Measures

Under the IAH Demonstration, participating practices must meet the performance thresholds for at least three of the six quality measures in order to qualify for the incentive payment. The six measures are:

- Follow up contact within 48 hours of a hospital admissions, hospital discharge, or emergency department visit;
- Medication reconciliation in the home within 48 hours of a hospital discharge or emergency department visit;

- Annual documentation of patient preferences;
- All-cause hospital readmissions within 30 days
- Hospital admissions for ambulatory care sensitive conditions; and
- Emergency department visits for ambulatory care sensitive conditions.

Beneficiary Enrollment

The original statute stated that the Secretary shall limit the number of practices selected for the Demonstration so that the number of applicable beneficiaries that may participate in the Demonstration does not exceed 10,000. With Performance Year 4 enrollment exceeding 10,000, CMS used a method to reduce the number of beneficiaries proportionately across all practices so that no more than 10,000 beneficiaries were considered in the calculation of the incentive payments. This proportionate reduction occurred only for the purposes of the incentive payment calculations. No limits were imposed on the number of beneficiaries that practices could enroll in the Demonstration.

As noted above, the BBA extended the IAH Demonstration for an additional two years, which began on January 1, 2019. The BBA also increased the number of beneficiaries to 15,000 for those additional two performance years.

Methodology Modifications

Prior to beginning the Demonstration, we developed a risk-based actuarial methodology (the “original actuarial methodology”) for calculating incentive payments. In response to questions raised by participating IAH practices during Performance Year 1 regarding the risk scores used in the Demonstration, we explored a different approach to the original actuarial method and developed a second methodology (the “regression-based methodology”). For Performance Year 4, 4 practices’ (Northwell Health House Calls, Mid-Atlantic Consortium, Housecall Providers, PC, and Visiting Physicians Association of Texas, PLLC – Dallas) Performance Year 4 results were calculated under the original actuarial methodology, and the remaining 10 practices’ results were calculated under the revised regression methodology. More information on these methodologies is in the 2018 Report to Congress, available at: <https://innovation.cms.gov/Files/reports/iah-rtc.pdf>.