

Findings at a Glance

MODEL OVERVIEW

The Independence at Home (IAH) Demonstration tests whether implementing a payment incentive structure and a care delivery model – home-based primary care – leads to reductions in overall health care expenditures and improvements in quality of care for chronically ill Medicare beneficiaries.

Under the IAH Demonstration, physicians and nurse practitioners direct home-based primary care teams to provide home care to eligible beneficiaries. Participating home-based primary care practices may earn incentive payments if their patients' Medicare expenditures are less than an estimated spending target, and they meet required standards for a set of quality measures.

Fee-for-service (FFS) beneficiaries eligible for the demonstration must have at least two high-cost chronic conditions, have at least two limitations with activities of daily living, have had a non-elective hospital admission in the last 12 months, and used acute or sub-acute rehabilitation within the last 12 months.

In two separate studies, we examined the effects of the demonstration payment incentive structure and the effects of home-based primary care. We could not examine the combined effects of both the incentive structure and the care delivery model due to the design of the demonstration.

PARTICIPANTS

Fourteen home-based primary care practices completed the first four years of the demonstration, which began in June 2012 and ended in September 2016. Each practice was required to serve at least 200 patients per year under the demonstration. The size of the demonstration was limited to no more than 10,000 patients across all practices in a given year. Practices varied in their size, structure, and organization, and in their approach to providing home-based primary care.



Types of Practices

- Independent practices
- Members of Visiting Physicians Association
- Academic medical centers, including practices that operate as a consortium in the demonstration

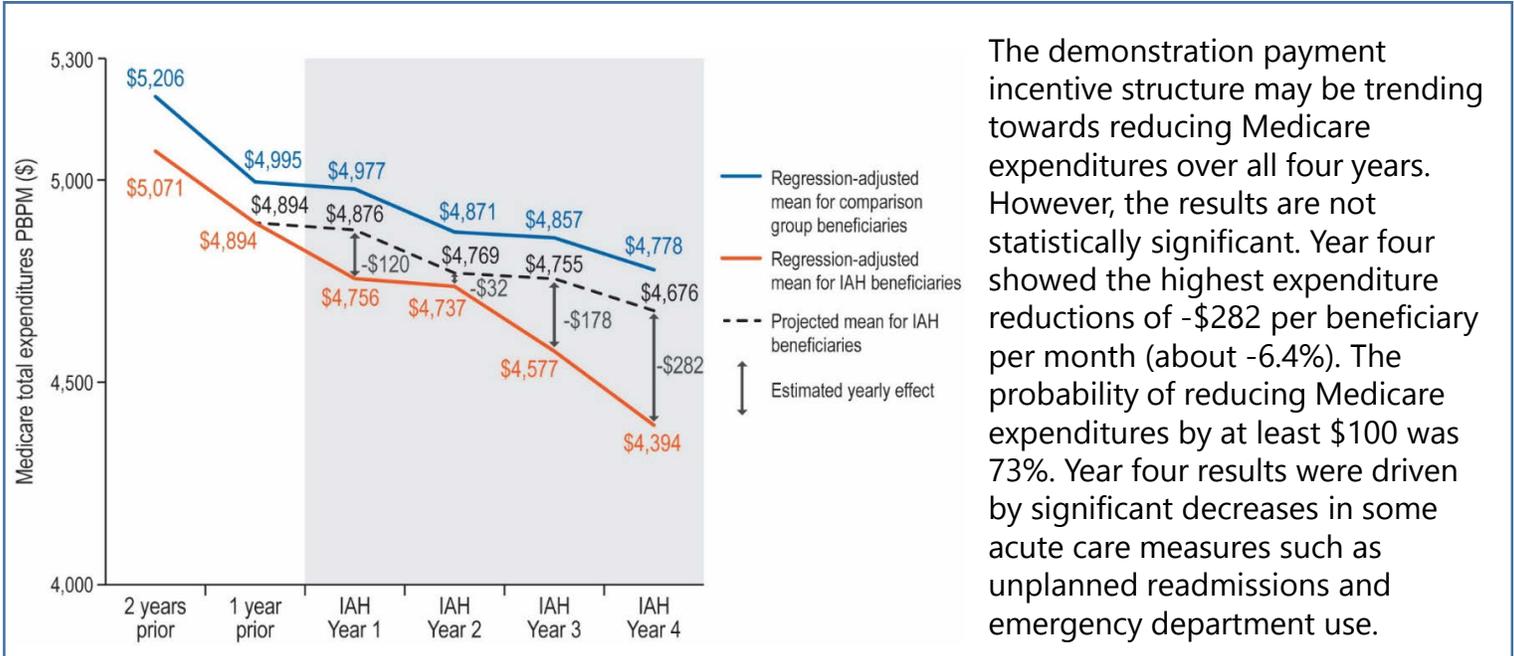
Many practices participating in the IAH Demonstration reported making changes in the way they organize and deliver HBPC to meet the demonstration's goals, such as:

- Developing and implementing systematic approaches to gain awareness of patient hospitalizations and discharges and make timely follow-up visits.
- Adding staff to improve care coordination and improve relationships with other providers.

This document summarizes the evaluation report prepared by an independent contractor. To learn more information about the IAH demonstration and to download the full evaluation report, visit <https://innovation.cms.gov/initiatives/iah>

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EFFECTS OF DEMONSTRATION PAYMENT INCENTIVE



The demonstration payment incentive structure may be trending towards reducing Medicare expenditures over all four years. However, the results are not statistically significant. Year four showed the highest expenditure reductions of -\$282 per beneficiary per month (about -6.4%). The probability of reducing Medicare expenditures by at least \$100 was 73%. Year four results were driven by significant decreases in some acute care measures such as unplanned readmissions and emergency department use.

EFFECTS OF HOME-BASED PRIMARY CARE

We examined outcomes for 30,224 chronically ill and disabled Medicare beneficiaries who started home-based care from 2010 to 2014 relative to a comparison group who received office-based care. The majority of patients in this analysis received home-based primary care from non-IAH practices that do not necessarily specialize in this model of care and may not meet the infrastructure and experience standards required of IAH practices.

In first year after starting HBPC...

\$256 more per beneficiary per month

In the second year...

\$367 more per beneficiary per month

Medicare expenditures for the home-based primary care group were relatively similar to the comparison group that received office based care for the first six months. However, expenditures for the home-based primary care group were significantly higher than those of the comparison group for the remaining 18 months

Higher spending for home-based primary care patients was driven partly by larger increases in spending on home health services, durable medical equipment, and hospice.

KEY TAKEAWAYS

The two analyses yield different results: The demonstration payment incentive is associated with non-significant declines in Medicare expenditures while the care delivery model – home based primary care – is associated with significantly greater expenditures. The different results are not necessarily surprising because of differences in the interventions tested and the samples that are selected. Definitive conclusions on the clinical or policy implications of these findings have not yet been made, but we look forward to examining additional years of the payment incentive structure analysis to assess if observed reductions continue to grow.