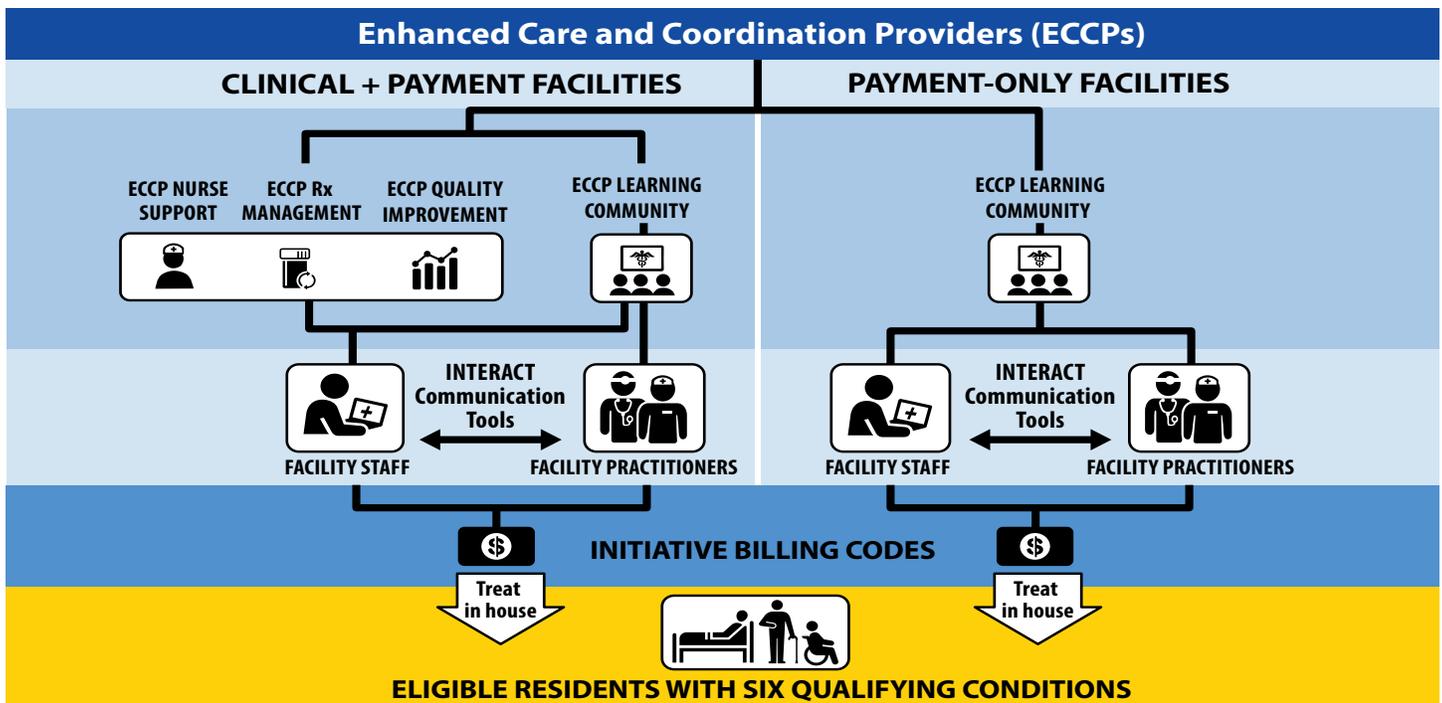


INITIATIVE OVERVIEW

The second phase of the Nursing Facility Initiative (NFI 2), building upon the achievements from its first phase (NFI 1), tests a new payment model to reduce avoidable hospitalizations and related expenditures among eligible long-stay nursing facility (NF) residents. While NFI 1 implemented evidence-based clinical and educational interventions that both improved care and lowered cost, NFI 2 offers additional financial incentives to participating NFs and practitioners to provide in-house acute care to residents with any of the six qualifying conditions, rather than transferring them to the hospital.

To implement NFI 2, starting in 2016, CMS funded six Enhanced Care and Coordination Provider (ECCP) organizations that recruited NFs for two Initiative groups:

- 1) **Clinical + Payment** facilities, recruited in NFI 1, which receive payment incentives concurrently with the varied, ECCP-specific clinical and educational interventions first implemented during NFI 1, and
- 2) **Payment-Only** facilities, recruited specifically for NFI 2, which receive payment incentives and limited ECCP technical support.



Participants in the Initiative

6 ECCPs	7 STATES: AL, CO, IN, MO, NV, NY, PA
263 NFs C+P 115 P-O 148	21,229 ELIGIBLE RESIDENTS

Six Qualifying Conditions for the Initiative

PNEUMONIA	COPD/ASTHMA	DEHYDRATION
CHF	SKIN INFECTION	UTI



FINDINGS

Among the eligible residents in both Initiative groups, we found no evidence of favorable reductions in hospital-related utilization and Medicare expenditures in Year 3, overall or for the six qualifying conditions, relative to the national comparison group. Instead, our results provide some evidence of unfavorable increases. In most cases, the on-site treatment to residents for the six qualifying conditions did not represent substitution for avoided hospitalizations. Combining all ECCPs, the Initiative was not associated with a statistically significant impact on resident mortality in FY 2019.

CLINICAL + PAYMENT GROUP

- For residents in all ECCPs combined, there were statistically significant increases in the probability of potentially avoidable hospitalizations (up 15.3%), hospitalizations for the six qualifying conditions (up 18.0%), and all-cause ED visits (up 15.2%), relative to the national comparison group.
- For individual ECCPs, there were statistically significant increases in some utilization and expenditure outcomes for residents in each ECCP, except NY-RAH.
- There was no consistent change in performance on MDS-based quality measures for eligible residents.

PAYMENT-ONLY GROUP

- For residents in all ECCPs combined, there was a statistically significant increase in the probability of potentially avoidable hospitalizations (up 9.5%)—but no statistically significant change in other utilization and expenditure measures—relative to the national comparison group.
- For most individual ECCPs, there were no statistically significant changes in utilization and expenditures for residents. The exception was AQAF, which had statistically significant increases in several utilization and expenditure measures.
- There were statistically significant unfavorable Initiative effects on five out of seven MDS-based quality measures for eligible residents.



INTERVIEW HIGHLIGHTS

Facility NFI 2 billing declined in Year 3, compared to prior years. This is partially due to changes in clinical criteria for billing for in-facility treatment of the six qualifying conditions. As in prior years, practitioner engagement and billing remained low. Facilities reported following the same clinical protocols for all residents, regardless of their eligibility for NFI 2 billing.

CLINICAL + PAYMENT GROUP

- Facility interviewees supported NFI 2 goals but shared that NFI 1 clinical and educational components were more effective than the NFI 2 payment incentive, acknowledging the importance of ECCP APRNs and RNs.
- AQAF and NY-RAH ECCP model changes resulted in interruptions in facility NFI 2 billing processes.

PAYMENT-ONLY GROUP

- Facility interviewees often viewed NFI 2 only as an opportunity to receive compensation for existing care practices.
- Increased Medicare Advantage penetration reduced the number of eligible residents, decreased billing opportunities, and relegated NFI 2 to lower priority in participating facilities.



KEY TAKEAWAYS

Year 3 findings indicate that the payment component of NFI 2 did not appear to incentivize substantial changes in facility care practices and, relative to the comparison group, was not associated with favorable changes in utilization, cost, and quality outcomes.