Alternative Payment Models Evolving but Still Elusive in Post-Acute and Long-Term Care

Alex Bardakh, MPP

Alternative payment models offer a significant opportunity to reduce costs and improve quality in post-acute and long-term care. As the health care payment landscape continues to shift dramatically at a rapid pace, leaders at AMDA – the Society for Post-Acute and Long-Term Care Medicine have worked hard to ensure that post-acute and long-term care is at the forefront of achieving the so-called triple aim. By now, everyone is probably familiar with the goal to shift from fee-for-service to a more value-driven model. This rapid move toward value-based care has not slowed with the new administration, and there is no indication it will. Although there has been much debate about the future of the Affordable Care Act, it mainly focuses on the individual mandate and insurance markets; the shift toward value-based payment remains unaffected.

The Society has met with the Centers for Medicare & Medicaid Services on multiple occasions to discuss the general lack of alternative payment models (APMs) available to PA/LTC-based clinicians. For example, the recent release of the advanced Bundled Payment for Care Initiative (BFPCI) did little to provide PA/LTC clinicians with incentives to participate in advanced APMs. However, the lack of advanced APMs does not mean that PA/LTC has been completely left out of the APM equation. For example, the Initiative to Reduce Avoidable Hospitalizations Among Nursing Facility Residents (the Initiative) is an APM favorable to PA/LTC. Under this initiative, facilities and clinicians get lump-sum Medicare payments to enact interventions that lead to reductions in hospitalization that in theory save significantly more money than the upfront payment received.

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Pride of Recognition Continues for Top Docs

Joanne Kaldy

While AMDA – the Society for Post-Acute and Long-Term Care Medicine has represented the nursing home medical director since the 1970s, the role of a facility’s medical directors has historically been a better kept secret than Superman’s alter ego. If you asked a resident or family member to name the medical director, you might get a blank stare as an answer. So in 2006, the Society established the Medical Director of the Year Award to help showcase the medical director as the PA/LTC facility’s clinical leader and recognize outstanding physicians who are innovative, visionary, and set high standards for quality care.

The first recipient was Timothy Malloy, MD, CMD, a medical director in Nebraska. Since then, there have been nine recipients, and dozens of nominees from across the country. Although they have had varied back-grounds and accomplishments, they have shared a passion for their patients and their work, outstanding leadership skills, a love for teaching, and an innovative spirit.

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Point fingers and grapple with fixing what is broken, a figure like that should get everyone’s attention.

Newsworthy Initiative

It is surprising that the Initiative does not get as much national attention as it should. After all, programs like the Missouri Quality Initiative for Nursing Homes (MOQI), led by the Society’s long-time Medicare payment guru, Charles Crecelius, MD, PhD, CMD, showed great results in reducing both all-cause and potentially avoidable hospitalizations. According to the Health Affairs report, the MOQI was associated with a 5.9% decrease in the probability of having any hospitalization in 2014, and a 9.3% decrease in 2015. Similarly, the initiative was associated with a 5.5% decrease in the probability of having any potentially avoidable hospitalization in 2014, and a 7.2% decrease in 2015. The net effect resulted in estimated reductions in Medicare per-patient expenditures of $729 in 2014 and $1,369 in 2015 for all-cause hospitalizations, and of $456 in 2014 and $577 in 2015 for potentially avoidable hospitalizations.

“The financial incentives are providing for continued success in lowering hospitalization rates, reducing overall cost to Medicare, and providing for better patient care.”

Recipe for Success

So what is the formula for such success? In the case of MOQI, the facilities used more advanced-practice nurses; provided medication management, including antipsychotic reduction; used care coordination tools such as the SBAR tool (Situation, Background, Assessment, Recommendation) and INTERACT (Interventions to Reduce Acute Care Transfers); focused on advance directives; provided more technology such as tablets for nurse practitioners and improved text and email communication tools; and provided comparative reports on performance to doctors and facilities alike. All these interventions may seem obvious for those who have practiced in the field for many years, but for those outside the PA/LTC industry who are just now discovering the field, partnering with clinicians who understand this space and could

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This APM comes at a time when PA/LTC is being targeted as an area with significant opportunity to reduce costs and improve patient care. Hospitals and health systems are under the gun to reduce readmissions, report on quality measures, and adopt meaningful health information technology (HIT). However, it is what happens downstream that concerns them most. A report in Health Affairs from March 2017 cited numerous studies highlighting that each year in the United States more than 25% of long-stay residents of nursing facilities are hospitalized and a substantial portion of those admissions are considered “potentially avoidable.” This carries a cost of $1.9 billion to Medicare and Medicaid, not to mention the potential for errors and even deaths that occur due to poor transitions — and that figure is from 2005! As lawmakers continue to all-cause and potentially avoidable hospitalizations. According to the Health Affairs report, the MOQI was associated with a 5.9% decrease in the probability of having any hospitalization in 2014, and a 9.3% decrease in 2015. Similarly, the initiative was associated with a 5.5% decrease in the probability of having any potentially avoidable hospitalization in 2014, and a 7.2% decrease in 2015. The net effect resulted in estimated reductions in Medicare per-patient expenditures of $729 in 2014 and $1,369 in 2015 for all-cause hospitalizations, and of $456 in 2014 and $577 in 2015 for potentially avoidable hospitalizations.

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The first phase of the project had no financial incentives to improve performance, merely the goal of improving care in the value-based medicine world. However, the second phase underway in 2017 was estimated to give the facility an average $1,000 per episode; additionally, the treating physician would receive a high hospital-level reimbursement and care plan reimbursement for promptly identifying and treating the patient in the facility for six common changes in condition (pneumonia, urinary tract infection, cellulitis, chronic heart failure, chronic obstructive pulmonary disorder/asthma exacerbation, and dehydration). “The financial incentives are providing for continued success in lowering hospitalization rates, reducing overall cost to Medicare, and providing for better patient care,” Dr. Crecelius noted.

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implement such interventions seems to be the key.

Likewise, it is important to embrace and understand the role of health information technology. In the case of MOQI, an experienced guru such as Greg Alexander, PhD, who is part of the project, makes all the difference.

“In our changing health care environment, PA/LTC leaders are under the gun to make important decisions about how to reduce spending and improve quality of care while maintaining efficiencies in care delivery,” Dr. Alexander said. “We believe technology is a crucial resource for PA/LTC settings to consider as quality improvement strategies are decided upon. Technology provides a vehicle to manage patient information in a timely, safe, and secure way, enabling providers and other stakeholders to access information that is critical to improving patient and organizational outcomes.”

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The Society has discussed at length building upon this project to develop an advanced APM that would satisfy MACRA requirements, but the process is lengthy and still unclear. Perhaps PA/LTC clinicians don’t even need to wait for CMS; they can learn the lessons and implement them in their own APM, such as through participation in accountable care organizations or bundled programs.

The expertise of PA/LTC clinicians necessary to implement these changes has never been in greater demand. It is up to each individual clinician to leverage that opportunity. While some have been able to take action, others are still contemplating their next move — but time is short.

As Congress continues to debate the future of health care legislation and policy, PA/LTC clinicians can learn more about policy and quality initiatives and begin to implement them in their practices. The Society has worked to develop a more comprehensive educational track to discuss the ins and outs of these initiatives and interventions through Society webinars and the Society Annual Conference, which has a track focused on practice management issues that align closely with these interventions.

For more information about these initiatives, visit https://innovation.cms.gov/initiatives/rahnfr/.

Alex Bardakh is director of public policy and advocacy for AMDA – the Society for Post-Acute and Long-Term Care Medicine.

RELATED WEBINARS

The Society offers several webinars about physician payment and payment models that can help you gain a better understanding of these complicated topics.


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