Hospital and SNF use by Medicare beneficiaries who reside in nursing facilities

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March 2, 2017
Outline of today’s presentation

- Context
- Initiatives and strategies to reduce hospital use by long-stay nursing facility (NF) residents
- Measures
  - Hospital use
  - Skilled nursing facility use
- Considerations for future policy
Context

- A majority of long-stay NF residents are dual-eligible beneficiaries
- Unnecessary hospitalizations of NF residents:
  - Expose Medicare beneficiaries to several health risks
  - Increase Medicare spending
  - Could indicate a program integrity issue
- A substantial percentage of hospital admissions from NFs may be avoidable
Medicare beneficiaries residing in nursing facilities

- Nursing facilities typically provide both skilled nursing (post-acute care) and long-stay nursing services
- Skilled nursing facility (SNF)
  - “Short” stays: ≤ 100 days
  - Medicare-covered stay
  - Typically discharged to community
  - SNF readmission measures exist
- NF
  - “Long” stays: > 100 days
  - Mostly dual-eligible beneficiaries
  - Typically not discharged to community
Background on initiatives to reduce unnecessary hospital use

- Conducted interviews to learn about the strategies employed by facilities to reduce hospital admissions of long-stay NF residents

- Initiatives to reduce unnecessary hospital use for long-stay NF residents
  - Reduce Avoidable Hospitalization among Nursing Facility Residents
  - Optum’s CarePlus Model
Strategies to reduce unnecessary hospital use

- Increased staff communication
- Staff training
- Medication review
- Advanced care planning
- Telehealth

  - Reported barriers include:
    - Workflow
    - Volume
    - Cost
Risk-adjusted rates of hospital use per 1,000 long-stay NF resident days

- Relatively low rates of hospital use; but wide variation across facilities
- Risk adjustment based on: age, function, and comorbidity

<table>
<thead>
<tr>
<th>Measure</th>
<th>10&lt;sup&gt;th&lt;/sup&gt; percentile</th>
<th>50&lt;sup&gt;th&lt;/sup&gt; percentile</th>
<th>90&lt;sup&gt;th&lt;/sup&gt; percentile</th>
<th>Ratio 90:10 percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>All-cause hospital admission</td>
<td>1.0</td>
<td>1.6</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Potentially avoidable hospital admission</td>
<td>0.4</td>
<td>0.7</td>
<td>1.2</td>
<td>3.1</td>
</tr>
<tr>
<td>All-cause ED visit and observation stay</td>
<td>0.8</td>
<td>1.7</td>
<td>3.1</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Note: Data are preliminary and subject to change.
Source: Preliminary Providigm analysis of 1.4 million long-stay nursing facility residents using data from fiscal years 2013 and 2014.
Characteristics of NFs with high rates of hospital use

- Facilities with hospital admission rates at or above the 90th percentile were more likely to be:
  - For-profit
  - Rural
  - Smaller

- Facility characteristics affecting the rates of hospital use:
  - Frequency of physician or other health professional visits
  - Access to on-site x-ray services
## Risk-adjusted rates of SNF per 1,000 long-stay NF resident days

<table>
<thead>
<tr>
<th>Measure</th>
<th>Average</th>
<th>10&lt;sup&gt;th&lt;/sup&gt; percentile</th>
<th>50&lt;sup&gt;th&lt;/sup&gt; percentile</th>
<th>90&lt;sup&gt;th&lt;/sup&gt; percentile</th>
<th>Ratio 90:10 percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-stay resident SNF days</td>
<td>76</td>
<td>16</td>
<td>53</td>
<td>169</td>
<td>10.6</td>
</tr>
</tbody>
</table>

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**Source:** Preliminary Providigm analysis of 1.4 million long-stay nursing facility residents using data from fiscal years 2013 and 2014.

- Facilities at or above the 90th percentile were more likely to be:
  - For-profit
  - Free-standing
- Facilities at or above the 99th percentile were more likely to be located in three states and were for-profit
### Inter-state variation

- About a two-fold variation across measures
- Two-fold variation suggests that state-level policies and geographic differences in practice patterns may explain some of this variation

<table>
<thead>
<tr>
<th>Measure</th>
<th>National average rate</th>
<th>Average of bottom 5 states (lowest rates)</th>
<th>Average of top 5 states (highest rates)</th>
<th>Ratio of states with the highest to lowest rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>All-cause hospital admission</td>
<td>1.6</td>
<td>1.2</td>
<td>2.0</td>
<td>1.7</td>
</tr>
<tr>
<td>Potentially avoidable hospital admission</td>
<td>0.8</td>
<td>0.5</td>
<td>1.0</td>
<td>2.0</td>
</tr>
<tr>
<td>All-cause ED visit and observation stay</td>
<td>1.9</td>
<td>1.3</td>
<td>2.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Long-stay resident SNF days</td>
<td>76.3</td>
<td>46.9</td>
<td>104.5</td>
<td>2.2</td>
</tr>
</tbody>
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Source: Preliminary Providigm analysis of 1.4 million long-stay nursing facility residents using data from fiscal years 2013 and 2014.
Intra-state variation

- Consistent variation in hospital admission rates within states relative to national level
- Large variation in SNF use within individual states

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<tr>
<th>Measure</th>
<th>National average 90&lt;sup&gt;th&lt;/sup&gt; : 10&lt;sup&gt;th&lt;/sup&gt; percentile</th>
<th>Low variation states 90&lt;sup&gt;th&lt;/sup&gt; : 10&lt;sup&gt;th&lt;/sup&gt; percentile</th>
<th>High variation states 90&lt;sup&gt;th&lt;/sup&gt; : 10&lt;sup&gt;th&lt;/sup&gt; percentile</th>
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<tr>
<td>Potentially avoidable hospital admission</td>
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<td>2.2</td>
<td>4.3</td>
</tr>
<tr>
<td>All-cause ED visit and observation stay</td>
<td>3.7</td>
<td>2.5</td>
<td>5.4</td>
</tr>
<tr>
<td>Long-stay resident SNF days</td>
<td>10.6</td>
<td>4.4</td>
<td>27.5</td>
</tr>
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</table>

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Source: Preliminary Providigm analysis of 1.4 million long-stay nursing facility residents using data from fiscal years 2013 and 2014.
Considerations for future policy for long-stay NF residents

- Develop measures of
  - Hospital use
  - SNF use
- Report rates to providers and beneficiaries
- Consider expanding Medicare’s SNF value-based purchasing program (requires Congressional action)
- Consider targeting the facilities with aberrant patterns of hospital and/or SNF use through CMS’ program integrity programs
Discussion

- Feedback on draft June chapter
  - New material
  - Considerations for policy
- Next steps