Private sector initiatives to manage post-acute care

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October 10, 2014

MEDPAC

Introduction

- Fee-for-service does not create incentives for efficient use of post-acute care (PAC)
- Private sector entities have different incentives and tools that may offer lessons for Medicare
- Should the program consider additional policies for fee-for-service?

Commission's recent work on post-acute care

- Recommended standardized patient assessment as pathway towards common/unified PAC PPS (2014)
- Recommended rehospitalization incentives for skilled nursing facilities (SNFs) and home health agencies (HHAs) (2012 and 2014)
- Reforms to SNF and HHA payment systems (2008 and 2011)
- Examined bundling PAC and acute care (2013)
- Site neutral policy for LTCHs (2014)

Current PAC reform analysis

- Site-neutral payment for IRF and SNF
- Common PAC PPS (mandated report due in 2016)
- Cross-sector measure of readmission

Identifying private sector entities with potential lessons for Medicare

- Surveyed government, academic, and private sector experts to identify purchasers/entities
- Entities in three categories:
  - Integrated systems/health plans (accountable care organizations/Medicare Advantage plans)
  - PAC benefit managers
  - Entities participating in Medicare bundling demonstration
- One-hour interview with each entity

Major themes from interviews

- Entities were using range of models with different focuses, incentives and limitations
- All had care coordination and readmission strategies
- Initial efforts focus on SNF with home health seen as next
- Entities in early phases testing financial incentives, too soon for results

Policies for selecting the site of care

- Educating hospitals, physicians and beneficiaries about the comparative merits of different sites
  - Reporting quality information on PAC providers
  - Entities in bundling demonstration compared cost and quality of IRFs and SNFs for joint replacement
- Establishing a preferred set of providers
  - MA plans establish exclusive networks
  - Hospitals and ACOs establish preferred providers to collaborate with selected PAC providers

Policies for selecting the site of care

- Prior authorization (MA plans)
  - Rely on clinical policies of plan or entity
  - Some use commercial guidelines for clinical appropriateness available from vendors
- Some entities testing PAC "carve-out" to risk-bearing benefit manager
  - Manager paid a fee minus some guaranteed savings
  - Manager responsible for cost of care (i.e., selecting site, managing care, and preventing readmissions)

Techniques for management of care after hospitalization

- All entities had some form of care coordination
  - Transitional staff that followed patient
  - On-site staff that monitored care
- Educate PAC providers on best practices and trends in utilization

Other approaches to better PAC care for minimizing hospitalization

- Expanded nurse staffing for SNFs
- Post-discharge monitoring of patients
- Enrolling beneficiaries in social support programs
- Shared electronic health records for hospitals and PAC providers

Beneficiary impact of private sector approaches

- Improved care coordination can improve patient experience during PAC episode
- Patient education tools can help beneficiaries understand course of care and alternatives
- Narrow networks can limit choice, but can also encourage the use of higher-quality providers
- Easier to accomplish in Medicare Advantage; FFS entities cannot limit patient choice

Summary of major approaches identified through interviews

- Encouraged the use of high-quality providers
  - Educate patients and doctors
  - Preferred networks
  - Cost-sharing
- Prior authorization
  - Site of care and amount of service

Summary of major approaches identified through interviews (continued)

- Used PAC benefit manager
  - Risk-bearing entity accountable for costs and quality
- Post-discharge monitoring
  - Approaches included additional staff, telemonitoring, and call centers
- Hospital/PAC provider collaboration to improve quality

Conclusion

- Should these policies be considered for Medicare?
- Possible approaches to implementation if warranted
  - Modify existing FFS policies
  - Additional flexibility for providers participating in new models of care (ACO, bundling)?
- Beneficiary role in new reforms