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CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICARE & MEDICAID INNOVATION

Findings at a Glance

Independence at Home

Evaluation of Performance Years 1-5 (2012 to 2017)

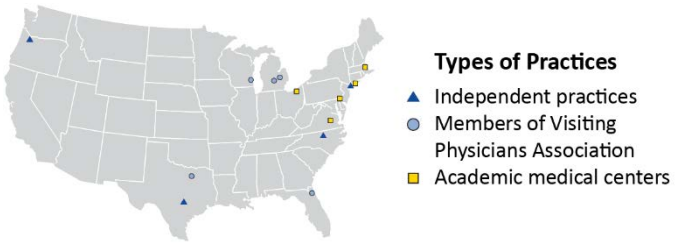
MODEL OVERVIEW

The Independence at Home (IAH) demonstration is a Congressionally mandated test of whether a payment incentive structure for home-based primary care reduces health care expenditures and improves quality of care for fee-for-service Medicare beneficiaries who are chronically ill and functionally limited. This brief focuses on the estimated effects of the payment incentive in the first five years of the demonstration.

Under the IAH demonstration, physicians and nurse practitioners oversee home-based primary care teams caring for eligible beneficiaries. Eligible beneficiaries must have at least two chronic conditions. They must also require help from another person with at least two activities of daily living, have been admitted to a hospital in the last 12 months, and used acute or subacute rehabilitation services in the last 12 months. Participating home-based primary care practices may earn incentive payments if (1) their patients' Medicare expenditures are less than a given spending target and (2) they meet the standards for certain quality measures.

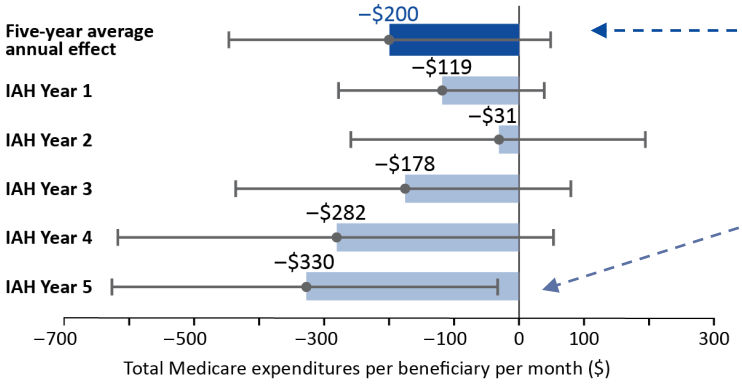
PARTICIPANTS

In Year 5, IAH had fourteen home-based primary care sites, including a consortium of three practices. Practices varied in their size, structure, organization, and approach to providing home-based primary care. Each practice had to serve at least 200 patients per year under the demonstration. The demonstration was limited to 10,000 patients across all practices each year.



FINDINGS

Over the first five years of the demonstration, there were no significant reductions in total Medicare expenditures relative to similar beneficiaries.



Gray dots represent estimated effects, with horizontal lines showing 90 percent confidence intervals. Confidence intervals crossing 0 are not statistically significant, meaning that the evaluation cannot confidently state whether spending increased or decreased.

The average impact over five years was not statistically significant. IAH sites trended toward lower total spending over the course of the demonstration.

The Year 5 reduction in total spending was statistically significant but driven by a single influential site that stopped delivering home-based primary care after the end of the year.

Over the 5 years, CMS paid $37 million in incentive payments to IAH sites. The payment incentive may have motivated practices to reduce Medicare spending, but the demonstration's small size made the estimates imprecise.

KEY TAKEAWAYS

Over its first five years, there is little evidence that the IAH payment incentive reduced Medicare spending or improved quality of care for beneficiaries with chronic illness and functional limitations. In Year 5, the payment incentive lowered Medicare expenditures, but these results were driven by one site that later stopped providing home-based primary care. Without that site, the demonstration is unlikely to show significant decreases in Medicare spending in its final two years.

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IAH practices reported several changes to the way they organized and delivered care, which may have contributed to decreasing hospital admissions and emergency department visits.

Some practices tried to reduce hospital use by making care more comprehensive and responsive to patients' needs. Examples included increasing follow-up for patients with high rates of hospital use and improving communication and coordination of round-the-clock coverage for care.

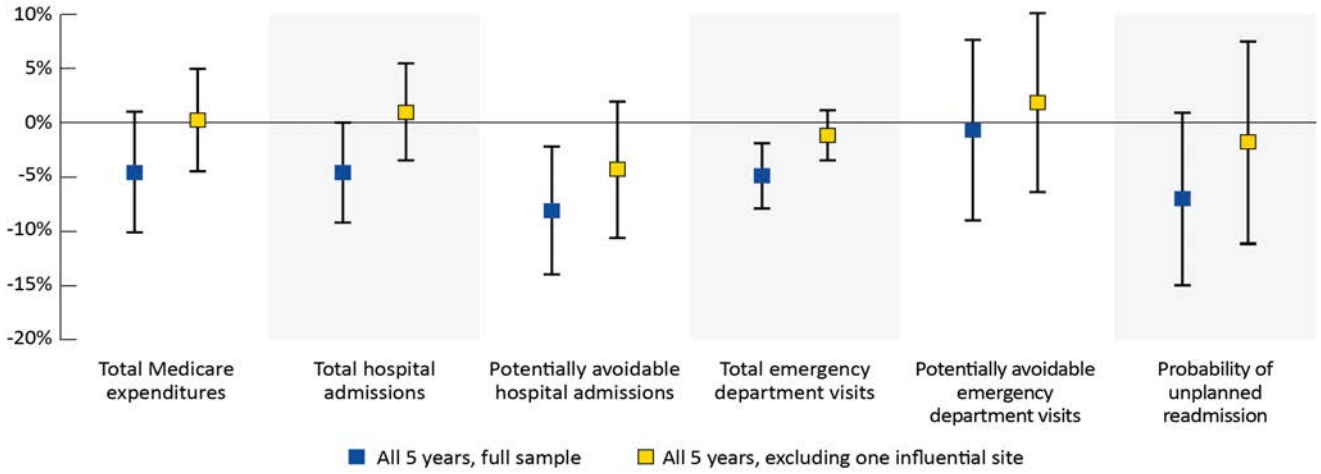
To provide follow-up contacts for patients within 48 hours of a hospital discharge or emergency department visit, **many practices added staff** dedicated to tracking hospital admissions and discharges, such as nurse case managers.

	Total hospital admissions	Potentially avoidable hospital admissions	Total emergency department visits	Potentially avoidable emergency department visits	Probability of unplanned readmission
Year 5	**-7.2% ***	**-12.1% ***	**-6.9% ***	-3.6%	-9.2%
Years 1 to 5	-4.6%	**-8.1% ***	**-4.9% ***	-0.7%	-7.0%

***Statistically different from zero, p<.05**

Estimated effects for spending and utilization over the five years were much smaller and not statistically significant after excluding one site that ceased offering home-based primary care after Year 5.

Average estimated annual effects for key measures were heavily affected by a single influential site; without that site, the estimated effects were much smaller and not statistically significant in either Year 5 or in the combined five-year sample.



Blue and yellow squares represent estimated effects across all 5 years, with vertical lines showing 90 percent confidence intervals. Confidence intervals crossing 0 are not statistically significant, meaning that the evaluation cannot confidently state whether spending or utilization increased or decreased.

This document summarizes the evaluation report prepared by an independent contractor. To learn more information about the IAH demonstration and to download the evaluation report, visit https://innovation.cms.gov/initiatives/Independence-at-Home/