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Findings at a Glance

Independence at Home

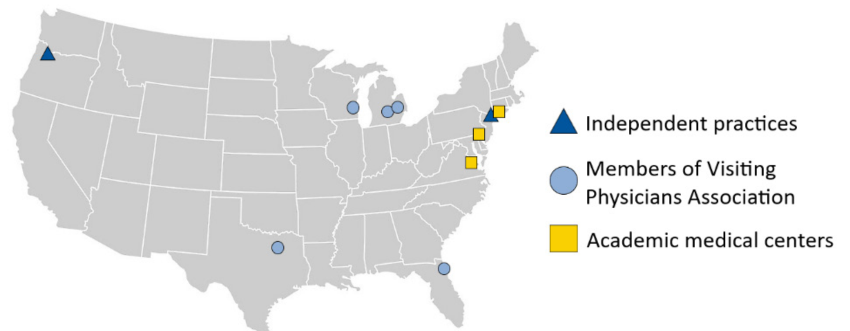
Evaluation of Year 7 (2020)

First Year of the COVID-19 Pandemic

MODEL OVERVIEW

The Independence at Home (IAH) demonstration is a congressionally mandated test of whether a payment incentive for providing home-based primary care reduces health care spending and improves the quality of care for eligible fee-for-service Medicare beneficiaries. To be eligible to enroll in the demonstration, beneficiaries must have had at least two chronic conditions, required help from another person with at least two activities of daily living, have been admitted to a hospital in the last 12 months, and have used acute or subacute rehabilitation services in the last 12 months. Participating home-based primary care practices can earn incentive payments if their patients' Medicare spending is less than a given spending target and if they meet the standards for selected quality measures.

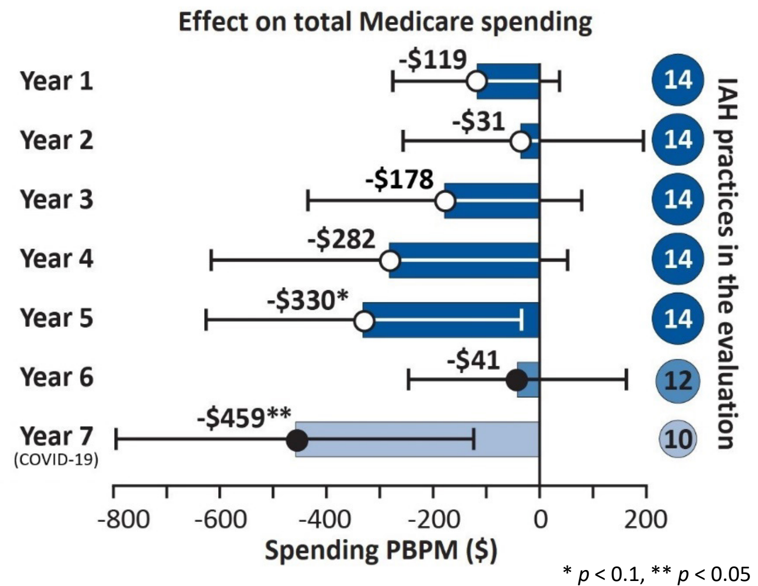
IAH began in 2012 with 18 participants, 14 of which were included in the evaluation. Year 7 was 2020, the first year of the COVID-19 pandemic. In Year 7, 10 practices participated in the demonstration, together serving approximately 5,000 eligible beneficiaries.



FINDINGS ON TOTAL MEDICARE SPENDING

To assess whether IAH affected total Medicare spending per beneficiary per month (PBPM), we compared the changes in spending for IAH-eligible patients of IAH practices with those of similar Medicare beneficiaries who lived in the same areas but did not receive home-based primary care. We used the same approach for other outcomes.

- **IAH probably reduced spending total Medicare spending in Year 7.** The estimated effect was -$459 PBPM (10.7%), which was statistically significant. The estimated reduction in Medicare spending exceeded incentive payments to IAH practices by $4.2 million.
- **The effect of IAH in Year 7 was considerably larger than in Year 6**, explained by a 4.3% increase in spending for comparison beneficiaries and 1.3% decrease in spending for IAH beneficiaries.
- **The average annual effect over all seven years of the demonstration was -$200 PBPM, which was not statistically significant** and based on varying numbers of practices across the years.



* $p < 0.1$, ** $p < 0.05$

KEY TAKEAWAYS

Because of substantial changes in health care delivery during the COVID-19 pandemic, there are plausible reasons to believe that home-based primary care from IAH practices was more effective during the first year of the COVID-19 pandemic than in earlier years. IAH likely reduced total spending in Year 7 by a substantial amount, though the true effect of the demonstration could have been much smaller or larger than -$459 PBPM. Lower spending on hospital admissions partly drove the total spending reduction and fell the most for beneficiaries who needed help from another person with all or nearly all activities of daily living, such as feeding and dressing. These results cannot be generalized to other years or to providers outside the 10 practices that participated in IAH Year 7.

This document summarizes the evaluation report prepared by an independent contractor. To learn more about the IAH demonstration and download the evaluation report, visit https://innovation.cms.gov/innovation-models/independence-at-home.

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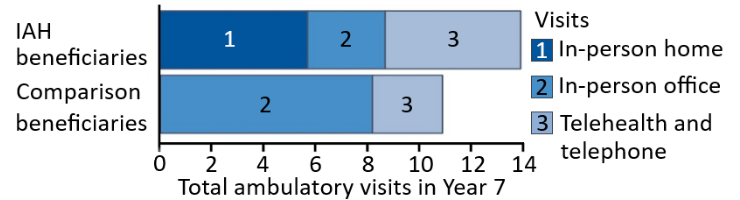
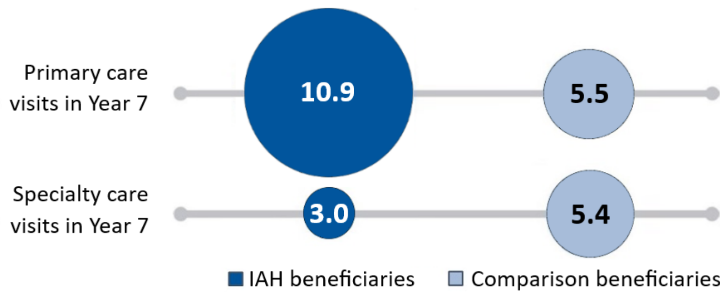
MORE FINDINGS FROM THE FIRST YEAR OF THE COVID-19 PANDEMIC

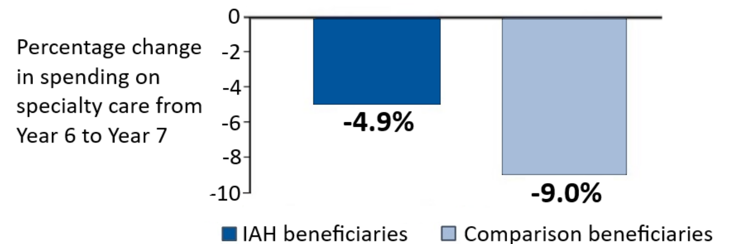
IAH beneficiaries averaged 28 percent more ambulatory visits in Year 7 than comparison beneficiaries. IAH beneficiaries received about two out of every three in-person visits at home. IAH beneficiaries also had more visits by telehealth and telephone.

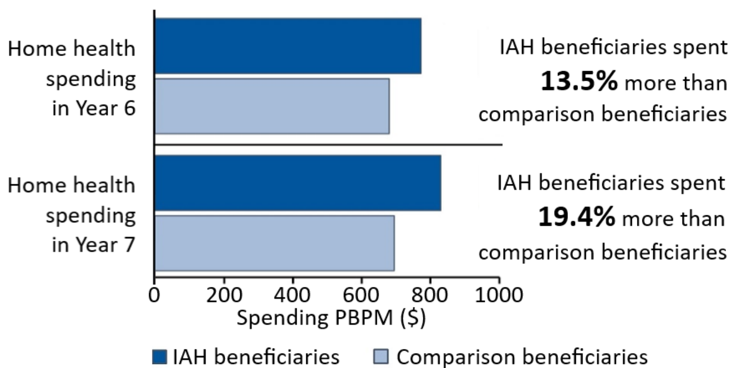




Primary care played a larger role in IAH beneficiaries' health care than for comparison beneficiaries. IAH beneficiaries had a primary care visit every five weeks, whereas comparison beneficiaries had a primary care visit every nine weeks. Frequent primary care visits may have been more valuable for attending to health needs during the pandemic.

There was a larger decrease in spending on specialty care during Year 7 among comparison beneficiaries than among IAH beneficiaries. Poorer management of chronic conditions for the comparison group may have contributed to the effects of IAH on lower hospital use and inpatient spending in Year 7.





Many IAH beneficiaries used home health services extensively, and IAH practices had strong working relationships with home health agencies. Home health agencies provide in-home nursing, therapy, social work, and aide services. The gap in home health spending between IAH and comparison beneficiaries who used home health was larger in Year 7. Home health services may have played a larger role in preventing or slowing declines in health and functional status during the pandemic.

Spending fell the most for beneficiaries who needed help from another person with all or nearly all activities of daily living and was driven by lower spending on hospital admissions. COVID-19 diagnoses and COVID-19 hospitalizations did not play a material role in the effects of IAH in Year 7.

Total spending	Inpatient spending	Hospital admissions	Potentially avoidable hospital admissions	ED visits leading to hospital admission
Effects in Year 7 for all beneficiaries				
-10.7%**	-14.5%*	-1.9%	-5.9%	-7.4%
Effects in Year 7 for beneficiaries needing help with most or all activities of daily living				
-14.0%***	-20.3%***	-6.4%	-9.1%	-12.1%***

ED = emergency department

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$