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

Findings at a Glance

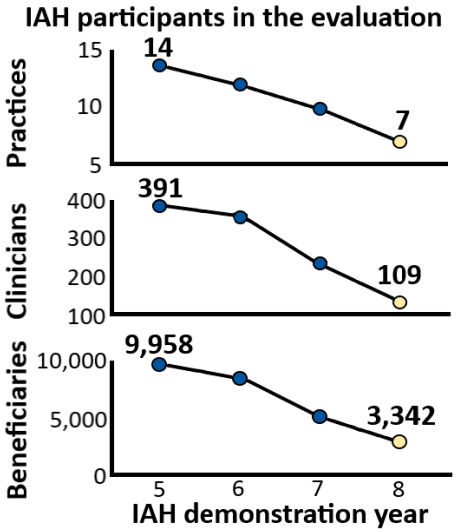
Independence at Home

Evaluation of Year 8 (2021)
Second Year of the COVID-19 Pandemic

MODEL OVERVIEW AND PARTICIPATION TRENDS

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 high-cost, high-need fee-for-service Medicare beneficiaries. Participating home-based primary care practices can earn incentive payments if their beneficiaries' Medicare spending is less than a given spending target and if they meet the standards for selected quality measures.

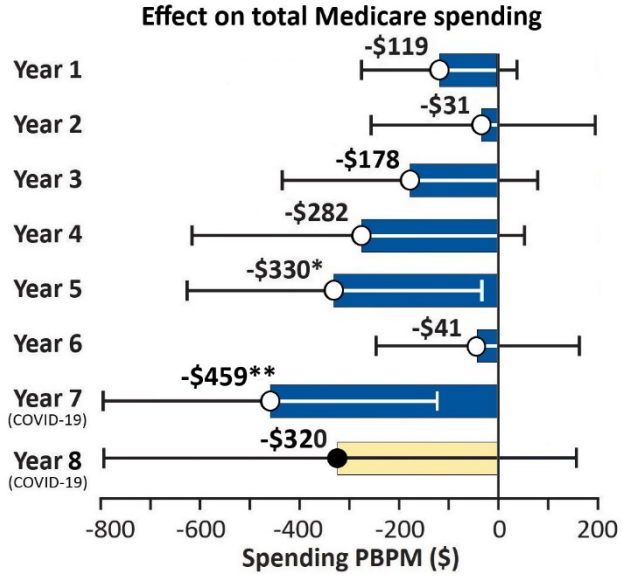
IAH began in 2012 with 18 participating practices, decreasing to 14 practices at the start of the demonstration's second extension in Year 5. By the start of the demonstration's third extension in Year 8 and the second year of the COVID-19 pandemic, half of the 14 Year 5 practices had withdrawn—including three that withdrew after Year 7. Each of the seven practices remaining in Year 8 had considerably fewer clinicians and beneficiaries than the prior year.



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. As in Year 7, COVID-19 diagnoses and hospitalizations did not play a direct material role in the effects of IAH in Year 8.

- **IAH may have reduced total Medicare spending in Year 8**, but the estimated reduction of -$320 PBPM (-7.5%), or -$9.92 million total, was not statistically significant. Incentive payments made to IAH practices amounted to $12.47 million in Year 8, exceeding the estimated spending reduction by $2.55 million.
- **The estimated effect in Year 8 was smaller than in Year 7 (-10.7%).** However, the estimated effects were about the same in both years for the seven practices that participated in Year 8.
- **The average annual effect over all eight years of the demonstration was -$207 PBPM, which was not statistically significant** and was based on varying numbers of practices across years.



90% confidence intervals shown; * $p < 0.1$, ** $p < 0.05$

KEY TAKEAWAYS

The IAH demonstration aimed to reduce Medicare spending and hospital use for high-cost, high-need Medicare beneficiaries. In Year 8, the second year of the COVID-19 pandemic, the seven participating practices did not convincingly reduce total spending nor hospital use for their patients. CMS may have paid practices more in incentive payments in Year 8 than the non-significant estimated reduction in total spending. These results cannot be generalized to other years or to providers outside the IAH practices that participated in Year 8.

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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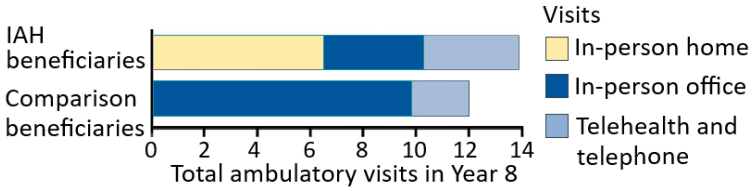
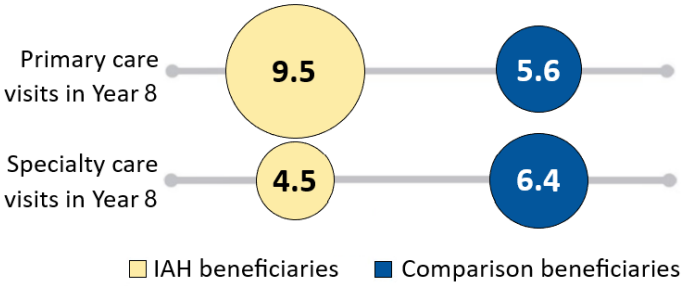
CARE FOR IAH BENEFICIARIES IN YEAR 8

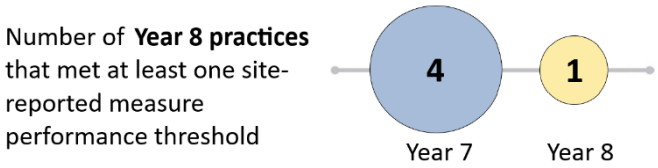
IAH beneficiaries had 16% more ambulatory visits in Year 8 than comparison beneficiaries. This difference was less pronounced than the difference in Year 7. IAH beneficiaries received about two of every three in-person visits at home, as they did in Year 7.





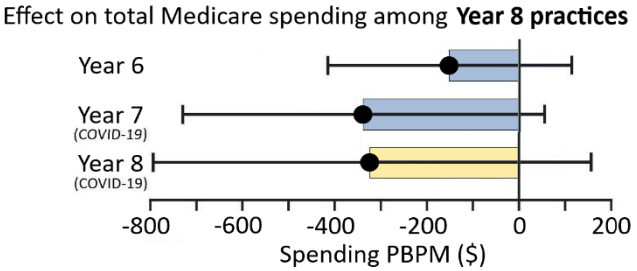
Primary care played a larger role in health care for IAH beneficiaries than for comparison beneficiaries in Year 8 and throughout the demonstration. More frequent primary care visits may have been more important during the COVID-19 pandemic than in a typical year to prevent or rapidly address acute health problems and exacerbations of chronic conditions.

Nearly all practices failed to meet the performance threshold of any of the three site-reported quality measures in Year 8, even though doing so would have increased the amount of their incentive payments.



EFFECTS OF IAH IN YEAR 8

Although the estimated effect on spending in Year 8 was not significant, it was larger than in Year 6 and other pre-pandemic years. This change was most likely driven by the disruptions in health care and society during the COVID-19 pandemic. Home-based primary care provided by IAH practices has several features that differed from typical office-based care and may have been especially valuable during the pandemic.



Effects of IAH on other beneficiary outcomes in Year 8

Inpatient spending

-9.6%

(-$161 PBPM)

Half of the estimated effect on total spending was driven by a reduction in inpatient spending, though neither was statistically significant.

Hospital admissions

5.6%

(100 admissions per 1,000 beneficiaries per year)

Hospital admissions increased in Year 8, though was not statistically significant.

Probability of unplanned readmissions

4.7%

(0.8 percentage points)

The probability of having an unplanned readmission increased in Year 8, though was not statistically significant.

Probability of dying

-16.3%***

(2.3 percentage points)

IAH reduced the probability of dying of any cause in Year 8.

*** $p < 0.01$