



## **CONVERT INDEPENDENCE AT HOME DEMONSTRATION INTO MEDICARE PROGRAM**

**Serving some of our nation's most vulnerable elders, the Independence at Home (IAH) Medicare demonstration is a targeted, proven, bipartisan success backed by decades of evidence and offers the promise of significant savings if converted from a demonstration into the Medicare program.**

**TEAM-BASED PRIMARY CARE IN THE HOME:** Independence at Home (IAH) teams provide home based primary medical care to elders with severe chronic illness and disability.

- The interdisciplinary team coordinates all medical and social services, providing better clinical care and a better patient experience, while also reducing total Medicare costs.
- IAH's 17 programs are clinically responsible and fiscally accountable for at least 200 eligible beneficiaries for whom they actively avoid preventable ER visits and hospitalizations by attentive care and prompt intervention.
- Each program delivers 24/7 medical care, supporting these patients in the community and allowing them to remain in their homes, living with dignity for as long as possible.

**BIPARTISAN SUPPORT/PROVEN SUCCESS:** In a bipartisan, bicameral fashion, Congress extended the IAH demonstration (1866E of the Medicare Act) for two years; the extension became law on July 30, 2015 and expires on September 30, 2017.

- The IAH demonstration and requested conversion, targets the small number of beneficiaries with severe multiple chronic conditions, disability and high costs who account for a disproportionate share of Medicare expenditures.
- The IAH practices treated 10,484 beneficiaries who met the IAH clinical criteria in Year 2 of the demonstration.
- The Centers for Medicare and Medicaid Services (CMS) found that IAH practices saved over \$35 million during the first two performance years while delivering high quality patient care in the home.
- The Years 1 and 2 cost savings is 11% annually, produced by the IAH practices that saved money.
- \$19M in IAH demonstration savings accrued to CMS and almost \$17M in savings were earned by 9 out of 17 programs that saved more than 5%.

**KEY COMPONENTS OF IAH SUCCESS:** IAH has rigorous quality standards that assure better care and a better patient and family experience. IAH's model of care delivery is designed specifically to meet the needs of patients at the highest risk of high-cost events. Several key components make it successful:

- IAH promotes appropriate levels of care for the most complex beneficiaries and discourages overuse of services with the shared savings incentives.
- IAH requires an interdisciplinary team to provide access to care 24 hours a day, 7 days a week and in-home visits within 48 hours of hospital/ED discharge, including medication reconciliation.
- IAH practices can bring to the patient's bedroom portable diagnostic, therapeutic, communication and monitoring technologies comparable to an urgent care center or hospital room --- rather than the patient to the technology.

- IAH practices work with community resources to meet the health care and social support needs of the beneficiaries and their family caregivers to assure the most clinically effective and cost efficient care.
- The primary care team is responsible for all health care services and is accountable for all Medicare expenses.
- Each team is held to six (6) patient-centered process measures. Each team must meet at least three (3) of six (6) high-impact quality measures to be eligible to receive shared savings, and the distribution is proportional to the number of quality metrics met each year.
- CMS retains the first 5% of savings and a portion of additional savings after the first 5%. This represented nearly \$19M in savings to CMS for Years 1 and 2. CMS then distributes up to 80% of any additional savings to those IAH programs that saved more than 5%, further incentivizing practices to improve their effectiveness and meet their quality thresholds.

**RESEARCH:** A large body of evidence spanning over 20 years shows that Home-Based Primary Care (HBPC), as applied in the IAH demonstration, enhances quality of care and reduces cost for seriously ill patients. Two major peer-reviewed studies were published in 2014:

- The Veteran’s Administration (VA’s) Home Based Primary Care (HBPC) program reduced costs by 12% (\$5,000/ patient-year) and achieved an 83% positive patient satisfaction rating.<sup>1</sup>
- A study in fee-for service Medicare showed a 17% annual cost reduction (\$4,000 / patient- year) with similar mortality outcomes to usual care.<sup>2</sup>

**IAH IS COST EFFECTIVE/PROMISES SAVINGS:** The current IAH demonstration holds the promise of even more significant cost savings to the federal government if converted from a demonstration to a national program under Medicare.

- IAH could benefit nearly two million more Medicare beneficiaries with multiple chronic conditions and disability, the fastest growing and most costly segment of the Medicare population.
- IAH pays for itself from savings to the Medicare program through a smarter use of resources, providing attentive primary care services for monitoring and maintenance therapy and using technologically enhanced urgent care services in the home.
- IAH eases the overwhelming demand from those living with severe chronic illness and disability, who wish to avoid institutionalization. Currently, most IAH-style house call programs have a waiting list; unlike all but a few nursing homes.
- Based on Years 1 and 2 results and published data from similar programs at the VA and in the private sector, conversion of IAH to a national program would yield between \$10 and \$15 billion in total savings over a 10 year period to be divided between programs and the federal government.

For more information about IAH, please visit the American Academy of Home Care Medicine (AAHCM) at [www.aahcm.org](http://www.aahcm.org) or call Elizabeth Sherman, Director of Marketing Communications at 847.375.6307. For legislative insight, contact Peggy Tighe at [peggy.tighe@ppsv.com](mailto:peggy.tighe@ppsv.com).

***The American Academy of Home Care Medicine (AAHCM) represents thousands of physicians and related professionals and agencies who strive to improve care of patients in the home.***

<sup>1</sup> “Better Access, Quality and Cost for Clinically Complex Veterans and Home-Based Primary Care”, Journal of the American Geriatrics Society 62:1954-1961, 2014.

<sup>2</sup> “Effects of Home-Based Primary Care On Medicare Costs in High Risk Elders”, Journal of American Geriatric Society, 62:1825-1831, 2014.