

Expanding throughout Indiana, OPTIMISTIC study tests new CMS payment model

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Indiana University's OPTIMISTIC study has added an additional 25 facilities across Indiana as it expands its efforts to improve the health and health care of long-term nursing home residents.

Over the next four years, the 19 central Indiana nursing homes that participated in OPTIMISTIC's initial phase plus the 25 additional nursing homes from across the state are implementing a new Centers for Medicare and Medicaid Services payment model which incentivizes nursing facilities, as well as their medical staffs, to provide higher levels of care on site rather than sending residents to the hospital.

Long-stay nursing home residents suffer from high rates of multiple chronic illnesses and dementia. Despite their needs and frailty, their care is often fragmented by potentially avoidable hospitalizations as well as gaps in primary and palliative care, which increase suffering and costs of care.

"Under the current CMS payment system, nursing facilities do not receive additional reimbursement to provide the care needed by residents who become sicker, unless the nursing home sends them to the hospital and then readmits them to the nursing home under the Medicare post-acute care benefit," said Director for OPTIMISTIC Phase II Kathleen Unroe, MD, MHA, Indiana University Center for Aging Research and Regenstrief Institute scientist, and IU School of Medicine

assistant professor of medicine.

The new payment strategy supports short-term provision of on-site acute care to nursing home residents who have one or more of six conditions linked to approximately 80 percent of potentially avoidable hospitalizations. These conditions include pneumonia (responsible for almost a third of potentially avoidable hospitalizations), urinary tract infections, congestive heart failure, COPD/asthma, skin infection and dehydration.

OPTIMISTIC's four-year initial phase focused on enhanced clinical care. Nurses and nurse practitioners were embedded in 19 central Indiana nursing homes to provide direct support to long-stay residents as well as education and training to facility staff. These specially trained professionals, who also lead care management reviews of long-stay patients to optimize chronic disease management, reduce unnecessary medications and clarify care goals. These [nurses](#) and nurse practitioners will remain on site in Phase I facilities during OPTIMISTIC's second phase.

All nursing homes participating in OPTIMISTIC have implemented the new CMS payment mechanism. However, only the 19 facilities involved in the initial phase have embedded OPTIMISTIC nurses and nurse practitioners, allowing the OPTIMISTIC project team to identify specific effects of the clinical innovations and the new payment method.

"With our academic, state government and nursing home partners, we are working collaboratively to address the root causes for fragmented care," said Dr. Unroe. "The IU Center for Aging Research, IU Geriatrics, Regenstrief Institute and University of Indianapolis are at the forefront in developing, implementing and evaluating interventions to improve care and quality of life for vulnerable older adults."

CMS research has estimated that up to 45 percent of hospitalizations of nursing facility residents could be prevented with well-targeted interventions. In 2005 this could have accounted for 314,000 potentially avoidable hospitalizations and an estimated \$2.6 billion in Medicare expenditures.

OPTIMISTIC, an acronym for Optimizing Patient Transfers, Impacting Medical Quality and Improving Symptoms: Transforming Institutional Care, is expected to receive more than \$30 million of Centers for Medicare and Medicaid Services funding through The Initiative to Reduce Avoidable Hospitalizations among Nursing Facility Residents. OPTIMISTIC is one of six projects nationwide participating in this CMS Center for Innovations-funded nursing home demonstration project.

In addition to Dr. Unroe, the interdisciplinary OPTIMISTIC project team includes David Bose, MD, IU School of Medicine (medical director); Monica Tegeler, MD, IU School of Medicine (assistant medical director); Greg Sachs, MD, IU Center for Aging Research, IU School of Medicine and Regenstrief Institute; Susan E. Hickman, PhD, IU School of Nursing; Ellen Miller, PT, PhD, Center for Aging & Community, University of Indianapolis; Jennifer Carnahan, MD., IU School of Medicine, IU Center for Aging Research and Regenstrief Institute and Nicole Fowler, PhD, IU Center for Aging Research, Regenstrief Institute and Center for Health Innovation and Implementation Science. Laura Holtz, BS is the project manager and Shannon Effler, MSW and Erin O'Kelly Phillips, BA are the project coordinators with the IU Center for Aging Research and the Regenstrief Institute.

Provided by Indiana University

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