

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>Stock</i>	DATE <i>4-6-12</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER 101387	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: CMS file, Singleton, Deps</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
	<input type="checkbox"/> FOIA DATE DUE _____
	<input checked="" type="checkbox"/> Necessary Action

APPROVALS <small>(Only when prepared for director's signature)</small>	APPROVE	* DISAPPROVE <small>(Note reason for disapproval and return to preparer.)</small>	COMMENT
1.			
2.			
3.			
4.			

From: Centers for Medicare & Medicaid Services <cmslists@subscriptions.cms.hhs.gov>
To: <polatty@scdhs.gov>
Date: 3/23/2012 3:37 PM
Subject: Initiative to Reduce Avoidable Hospitalizations among Nursing Facility Residents
Attachments: CMCS+Info+Bulletin+03-23-12+CM+REV.pdf

The Centers for Medicare & Medicaid Services (CMS) Medicare-Medicaid Coordination Office (MMCO), the Center for Medicare and Medicaid Innovation (Innovation Center), and the Center for Medicaid and CHIP Services (CMCS) are issuing this Informational Bulletin to inform States about a new CMS opportunity, the Initiative to Reduce Avoidable Hospitalizations among Nursing Facility Residents ("Initiative"). The Initiative will focus on beneficiaries who are eligible for both Medicare and Medicaid (often known as "dual eligibles" or Medicare-Medicaid enrollees). States will be critical partners in maximizing the success of the Initiative.

* CMCS Info Bulletin 03-23-12 CM REV.pdf [http://content.govdelivery.com/attachments/USCMS/2012/03/23/file_attachments/100494/CMCS%2BInfo%2BBulletin%2B03-23-12%2BCM%2BREV.pdf]

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This e-mail was sent to polatty@scdhs.gov using GovDelivery, on behalf of the Centers for Medicare & Medicaid Services (410-786-5473) · 7500 Security Boulevard · Baltimore MD 21244

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Department of Health & Human Services
OFFICE OF THE DIRECTOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Center for Medicaid, CHIP and Survey & Certification

MMCO - Innovation Center - CMCS Informational Bulletin

DATE: March 23, 2012

FROM: Melanie Bella, Director
Medicare-Medicaid Coordination Office

Richard Gilfillan, Director
Center for Medicare and Medicaid Innovation

Cindy Mann, Director
Center for Medicaid and CHIP Services

SUBJECT: Initiative to Reduce Avoidable Hospitalizations among Nursing Facility Residents

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Background

For long-stay nursing facility residents, hospitalizations can be disruptive, disorienting, and detrimental to health. Frequently, hospitalization is avoidable; CMS-funded research on Medicare-Medicaid enrollee nursing facility residents in 2005 found that approximately 45 percent of hospitalizations among beneficiaries receiving Medicare skilled nursing facility services or Medicaid nursing facility services were potentially avoidable, accounting for 314,000 potentially avoidable hospitalizations.¹

¹ Walsh, E., Freiman, M., Haber, S., Bragg, A., Ouslander, J., & Wiener, J. (2010). Cost Drivers for Dually Eligible Beneficiaries: Potentially Avoidable Hospitalizations from Nursing Facility, Skilled Nursing Facility, and Home and Community Based Services Waiver Programs. Washington, DC: CMS.

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This Initiative will test whether providing nursing facility residents with enhanced on-site services and supports can reduce avoidable hospitalizations, improve quality of care, and reduce costs. CMS is committing up to \$128 million to support a diverse portfolio of evidence-based interventions through this effort.

While nursing facilities already provide some care coordination in accordance with State and Federal participation requirements for long-term care facilities under Medicaid, this Initiative is an opportunity to build upon those efforts. Additionally, this initiative supports the goals of two other initiatives: the Administration's Partnership for Patients goal of reducing hospital readmission rates by 20-percent by the end of 2013 and the Million Hearts Campaign, which is a national initiative to prevent one million heart attacks and strokes over the next five years.

Initiative

CMS will implement this Initiative by contracting with qualified independent organizations (referred to as "enhanced care & coordination providers") to implement evidence-based interventions with the objective of reducing avoidable hospitalizations. Organizations eligible to participate may include (but are not limited to):

- Organizations that provide care coordination, case management, or related services;
- Medical care providers, such as physician practices;
- Health plans (although this initiative will not be capitated managed care);
- Public or not-for-profit organizations, such as Aging and Disability Resource Centers, Area Agencies on Aging, Behavioral Health Organizations, Centers for Independent Living, universities, or others;
- Integrated delivery networks, if they extend their networks to include unaffiliated nursing facilities.

Nursing facilities themselves may not bid to become enhanced care & coordination providers.

Applicants to become enhanced care & coordination providers may propose their own evidence-based intervention. All interventions must include the following activities:

- Hire staff who maintain a physical presence at nursing facilities and partner with nursing facility staff to implement preventive services;
- Work in cooperation with existing providers;
- Facilitate residents' transitions to and from inpatient hospitals and nursing facilities;
- Provide support for improved communication and coordination among existing providers; and
- Coordinate and improve management and monitoring of prescription drugs, including psychotropic drugs.

Each enhanced care & coordination provider will be expected to implement its intervention in at least 15 Medicare- and Medicaid-certified nursing facilities in the same State. The application to participate in the Initiative requires enhanced care & coordination providers to submit letters of intent from facilities agreeing to participate in the proposed intervention.

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CMS will give preference to initiatives in locations where there are high Medicare costs, facilities with high hospital readmission rates, and where Medicare-Medicaid enrollees account for a high percentage of nursing facility residents. (For State-by-State rates of avoidable hospitalization, see https://www.cms.gov/Insight-Briefs/downloads/PAH_InsightBrief.pdf.)

This Initiative is expected to last four years. CMS will contract with an independent evaluator to assess the Initiative's impact on quality of care and total costs. CMS will also engage an operations support contractor to assist with operations and monitoring of the Initiative.

State Role

States, through Medicaid, are the primary payers for nursing facility services, and Medicaid payment policy has been shown to significantly affect hospitalization rates for nursing facility residents.² States also play an important role in monitoring the quality of care in nursing facilities. Thus, States are critical partners in achieving the objectives of this Initiative and in sustaining its successes in the future. CMS expects this Initiative to improve the quality of care for Medicare-Medicaid enrollees in States where the Initiative is implemented.

CMS is requiring that enhanced care & coordination providers demonstrate that they would complement – rather than compete with – any existing payment or delivery reform initiatives within a State.

CMS is only interested in initiating this Initiative where States will be willing partners. Therefore, CMS is requiring that all enhanced care & coordination provider applicants include letters from: (a) the State Medicaid director, and (b) the State survey and certification director expressing support for the proposal and agreeing to engage in a memorandum of understanding (MOU) process upon selection. (A single letter signed by both agencies is also acceptable.) State agencies may choose to provide letters of support to multiple applicants or none at all. It will be the applicant's responsibility to obtain and submit the letter(s) of support.

In each State where this Initiative moves forward, CMS will solidify the commitments initiated with the letter of support by executing a MOU with the State. State responsibilities under this MOU include providing Medicaid claims data to CMS and its contractors to support monitoring and evaluation of the Initiative. CMS will keep the State closely informed on the implementation and evaluation of the Initiative, such as through sharing interim findings and including the State in learning and diffusion activities. CMS will also consult with the State as appropriate, including working with States that may wish to develop policy changes that complement the goals of the Initiative. Participating in the Initiative will give States an opportunity to improve the quality of care for some of their most vulnerable beneficiaries.

² Intrator, O., Grabowski, D. C., Zinn, J., Schleinitz, M., Feng, Z., Miller, S., & Mor, V. (2007). Hospitalization of Nursing Home Residents: The Effects of States' Medicaid Payment and Bed-Hold Policies. Health Services Research, 42(4), 1651-71.

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Additional Information

Organizations interested in applying to participate in this Initiative must submit a proposal to CMS by June 14, 2012. CMS is requiring interested organizations to submit a non-binding Notice of Intent to Apply by April 30, 2012. The Request for Applications is available by searching for CFDA 93.621 at: www.grants.gov.

CMS will host a webinar to discuss the Initiative. More information will be available at: https://www.cms.gov/medicare-medicaid-coordination/09_ReducingAvoidableHospitalizationamongNursingFacilityResidents.aspx#TopOfPage.

For further information or clarification on this Informational Bulletin letter, please contact Melissa Seeley Melissa.Seeley@cms.hhs.gov.

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MMCO - Innovation Center - CMCS Informational Bulletin

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