

OASIS Alert

REIMBURSEMENT ~ P4P Demo Design Details Raise Many Questions

Demonstration proposes using eight OASIS-based performance measures.

Agencies soon will know the final details of the P4P demo -- but it's a safe bet to focus on acute care hospitalization and emergent care while you wait.

In a Dec. 13 special Home Health Open Door Forum, more than 980 listeners vied to raise concerns about the proposed home health pay for performance demonstration project.

During the conference call, the **Centers for Medicare & Medicaid Services** and its demo contractor Abt Associates unveiled proposed plans for the two-year project, expected to last from October 2007 to September 2009.

Bottom line: The draft design would provide extra pay to participating agencies that are either in the top 20 percent of performers on a specific outcome or among the 20 percent of eligible agencies with the biggest improvement in a measure.

Background: CMS said it is sponsoring the demonstration project to "test whether a performance-based system can improve the quality of care of Medicare beneficiaries while not increasing Medicare expenditures." Although Congress has not yet passed legislation mandating P4P for home health agencies, CMS wants to collect information to use once that legislation is passed.

Proposal Includes Many Tentative Aspects

The draft framework for the demo includes these highlights:

1. Experimental design. Agency participation in the demo is voluntary, Abt Associates' **Henry Goldberg** told listeners. And in an effort to make the demo more like a random experiment, some agencies that enroll will be "in the treatment group" and will be able to get incentives and some agencies will be in the "control group" and will not be eligible for incentives, he explained. CMS has not yet determined the sample size.

The experimental and control groups could be divided by states or randomized within states, Goldberg said. Or large agency chains could be all one kind of group or could contain both experimental and control groups within a chain, he suggested. "We're looking for input [from the home health industry] before deciding," he emphasized.

2. Performance measures. Only a selection of the 41 outcome-based quality improvement measures will be used, so agencies can focus their improvement efforts, Goldberg said. The measures chosen should be under the agencies' control and have room for improvement, he noted. Besides acute care hospitalization, Abt proposed seven other OASIS-based measures.

Snag: The demo is likely to point out weaknesses in some OASIS items, predicts consultant **Judy Adams** with Charlotte, NC-based **LarsonAllen**. For example, when a patient makes the significant improvement in ambulation of moving from using a walker to using a single cane, there is no way to show this in the OASIS item on ambulation M0700), she points out.

3. Rewarding performance. The P4P demonstration must not increase overall Medicare expenditures, Goldberg said. So the incentive fund must come from Medicare savings. Many aspects of the demo are awaiting industry feedback, including how to determine the savings that make up the incentive pool, **Alan White** of Abt Associates stressed.

The proposed design includes weighted measures, so that improvement in acute care hospitalizations and emergent care are considered more important and rewarded with a greater percentage of the incentive pool. The plan also proposes weighting payments based on agency size, allocating payments separately for each measure and dividing 60 percent of the pool among the top performers and 40 percent among agencies showing the most improvement.

If the demo is divided by states, the performance thresholds will be determined separately for each state, White explained.

Agency Input Requested -- Quickly

CMS and Abt seemed open to comments during the conference call, Adams says. "A common refrain during the call was 'We think we might do this, but we welcome input,'" she adds. This was especially true for how to select participants, which performance measures to include and how to determine savings.

Proposals Lead to Agency Concerns

Only a small number of the phone participants were able to have their calls taken during the question-and-answer period. CMS encouraged the rest to send their comments to the HHP4P@cms.hhs.gov contact address. Unfortunately for agencies under end-of-the-year pressures, comments were due by Dec. 29.

More planning needed: Some concerns agencies expressed include minimum size for participating agencies; how participating agencies will be selected; whether there is a cap on incentive payments; what time period is covered in calculating the savings and what risk-adjustment methodology CMS and Abt will use.

Another issue several callers raised was how to separate Medicare patients from Medi-caid patients, so as not to penalize agencies with a high percentage of the more chronic Medicaid patients. Managed care patients are already excluded for payment, Goldberg said.

Note: For more information about the demo go to www.cms.hhs.gov/DemoProjectsEvalRpts/MD/list.asp and select the last link in the list.