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## MEMORANDUM

**TO:** RHCF Members

**FROM:** Patrick Cucinelli, Senior Director of Public Policy Solutions

**DATE:** April 5, 2012

**SUBJECT:** Initiative to Reduce Hospitalizations

**ROUTE TO:** Administrator, Director of Nursing, Medical Director

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Abstract: CMS further details nursing home Initiative to Reduce Avoidable Hospitalizations

### Introduction

Reflecting some of the same themes as the [Nursing Home Value –Based Purchasing Demonstration](#) currently underway in New York, CMS is now in the process of implementing a new [Initiative to Reduce Avoidable Hospitalizations Among Nursing Facility Residents](#). This is a joint project of the CMS Medicare-Medicaid Coordination Office and the Center for Medicare and Medicaid Innovation.

Under this initiative, CMS will support organizations that will partner with nursing facilities to implement evidence-based interventions that both improve care and lower costs. The initiative is focused on long-stay nursing facility residents who are enrolled in the Medicare and Medicaid programs, with the goal of reducing avoidable inpatient hospitalizations. This initiative supports the [Partnership for Patients](#)' goal of reducing hospital readmission rates by 20% by the end of 2013.

## **The Role of the Nursing Home**

Unlike the Value-Based Purchasing Demo, it is important to note that nursing facilities, entities controlled by nursing facilities, or entities for which the primary line of business is the delivery of nursing facility / skilled nursing facility services are not eligible to serve as enhanced care and coordination providers.

Nursing homes are essential partners in the initiative, but are not eligible to apply for grant funding. The rationale for this is that CMS sees identifying supplemental interventions as the key focus of the project and that these interventions would originate with the care and coordination providers. Also, CMS does not want to offer payment to nursing homes for services it sees as already paid for through the regular reimbursement stream. There are some limited supplemental funds that could possibly flow to the nursing home through this project, but it remains unclear as to how this would work.

Therefore, the key mechanism by which a nursing home would play a role in this project would be in partnership with a designated care and coordination provider. This provider will need to partner with a minimum of 15 nursing homes in order to qualify for submitting a grant proposal.

### **Important Dates**

Notice of Intent to Apply Due: April 30, 2012, by 3:00p.m.

Electronic Cooperative Agreement Application Due Date: June 14, 2012 by 3:00 p.m.

Anticipated Notice of Cooperative Agreement Award: August 24, 2012

Anticipated Cooperative Agreement Period of Performance: August 25, 2012 through August 24, 2016

### **Important References**

[April 3, 2012 Presentation](#)

[Detailed CMS Description](#)

### **Additional Details of the Initiative**

Eligible care and coordination organizations may include physician practices, care management organizations, and other public and not-for-profit entities. Applicants will propose an intervention that meets the objectives of the initiative.

All enhanced care and coordination providers in this initiative must:

- 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.

The Request for Applications is available by searching for CFDA Number 93.621 at [www.grants.gov](http://www.grants.gov). Applicants must include letters of support from the relevant State Medicaid Director and State Survey & Certification Director and letters of intent from at least 15 nursing facility partners in the same State.

CMS will give preference to applications for initiatives in geographic locations where there are high Medicare costs, high hospital readmission rates, and where Medicare-Medicaid enrollees account for a high percentage of nursing facility residents.

Total funding for this Initiative is up to \$128 million to support a diverse portfolio of evidence-based clinical interventions to improve the health and health care among nursing facility residents and ultimately reduce avoidable inpatient hospital admissions.

The Medicare-Medicaid Coordination Office expects to make awards ranging from \$5 million to \$30 million each to cover a four-year cooperative agreement period of performance, and CMS reserves the right to award less or more depending on the scope and nature of the individual applications received.

## **Conclusion**

While nursing facilities are not eligible to be care and coordination providers, some of our members may already have or are seeking partnerships with other entities that might be eligible, and may seek to work cooperatively to apply for the grant. In addition, facilities may find themselves being solicited to join in such a partnership. There are factors that could exclude a facility from partnering, including a high rate of Medicare managed care enrollment in the nursing home. Being already enrolled in the Value-Based Purchasing demo also disqualifies a nursing home from participating.

Please contact me with any questions at [pcucinelli@leadingagency.org](mailto:pcucinelli@leadingagency.org) or call 518-867-8827.