The impact of Optum™ CarePlus on nursing homes and residents

AN ESTABLISHED APPROACH TO IMPROVING QUALITY AND STABILIZING REVENUE FOR NURSING HOMES

Introduction

The health and social-care needs of the frail elderly present complex challenges to individuals and their families, care providers, social-service organizations and payers. Medicare and Medicaid, the federal and state programs that fund much of the care for these individuals, are seeking creative approaches to improve quality and manage cost. The Center for Medicare and Medicaid Services (CMS) has established a variety of demonstration programs and payment reforms, such as accountable care organizations, financial penalties for hospital readmissions, and public reporting of hospital and nursing home quality. These programs are all designed to change the traditional fee-for-service approach by paying for performance and implementing financial incentive for improved quality and preventive medicine.

Optum CarePlus (formerly known as Evercare) has been an innovator in changing the approach to clinical care and financial incentives to improve quality care in nursing homes. Since 1987, the Optum CarePlus care model has improved the quality of care and reduced inpatient hospital use for these individuals.1,2,3

This paper focuses on the impact — both clinical and financial — of the Optum CarePlus program on the nursing homes in which these individuals reside.

The Optum CarePlus care model

Optum CarePlus improves the quality of care for patients while decreasing the complexity and need for transitions among levels of care, especially by reducing avoidable hospitalizations. The key components of the program are:

1. Optum CarePlus delivers in-facility, provider-led (i.e., nurse practitioner or physician’s assistant) clinical care and care management that is focused on improving care quality. They provide care for urgent acute problems and for routine and preventive care as well as following patients during the recovery phase after an illness or hospitalization.

2. Optum CarePlus nurse practitioners partner with the resident’s primary care physician (PCP) and nursing home staff to provide primary care and personalized care coordination, proactively identify triggers, and manage conditions in the nursing facility (i.e., treat-in-place care) to avoid unnecessary hospitalizations. By being present in the facility on a frequent basis, the nurse practitioner develops relationships with nursing home staff that improve early identification of changes in residents’ status and monitoring of ongoing treatments.

3. Optum CarePlus nurse practitioners are focused on effectively communicating with not only the PCPs and nursing home staff, but also the residents and their loved ones, keeping everyone informed of any medical needs or changes in condition. In addition, the Optum CarePlus nurse practitioners manage advance care-planning conversations with residents, and also educate nursing home staff through formal in-service training and mentoring. This results in more effective care and communication for all residents.1
4. Optum CarePlus provides care coordination on behalf of Medicare Advantage health plans, including the UnitedHealthcare Nursing Home Plan (UHC NHP), to enrolled nursing home residents. The UHC NHP receives payment from Medicare on a per-member-per-month basis to provide this care. As a result, the UHC NHP is able to waive the Medicare three-day qualifying stay requirement for coverage of skilled nursing facility care. This allows the UHC NHP to seamlessly transition patients between custodial and skilled care levels within a facility based on the health needs of the patient.

The Optum CarePlus care model has been widely studied and has clearly demonstrated reductions in hospital admissions. Hospital admissions are highly stressful for patients, and can result in disorientation, the addition of psychotropic and other medications, wounds/bed sores, increased risk of infection and increased frailty. The clinical care model has demonstrated that it not only reduces cost, but also improves quality.

Impact of Optum CarePlus on nursing facilities

Optum recently conducted a study of the impact of Optum CarePlus on nursing home facilities participating in the UHC NHP. This study assesses emergency department and acute care hospital utilization, skilled and custodial nursing facility utilization, other services provided within the facility and the financial impact of UHC NHP participation.

This study examines the impact of the UHC NHP for a one-year period following a resident’s admission to long-term care. It compared 6,922 UHC NHP residents’ medical cost and utilization to a matched group of residents from the Medicare fee-for-service program. Details about the study data sources and methods are available upon request from your Optum CarePlus representative.

Consistent with previous studies, the UHC NHP patients experienced fewer inpatient admissions, readmissions, emergency room visits and skilled nursing facility admissions. As a result, the total annual medical cost for these patients was also lower than the matched group of Medicare fee-for-service patients. Unique to this study, however, is additional analysis on the financial impact of the program on facilities participating in the UHC NHP.

Implications for nursing homes

The study identified several important findings that affect participating nursing homes.

Patients spend more days in the nursing home.

Because patients spent fewer days in the hospital, they spent more days in the nursing home. This results in higher, more consistent occupancy for the nursing home. Because the majority of custodial nursing home care is paid by Medicaid, the payment amounts vary by state. In our study, each resident spent an average of 2.68 more days each year in a custodial bed in the nursing home than the control group. Based on an average 2010 Medicaid payment of $174.13, the nursing home received an additional payment of $467 per resident each year. If an average Optum CarePlus population for a facility is 60, this equates to over $28,000 each year. (This does not consider the impact of any potential Medicaid bed-hold payment policies, which are steadily decreasing due to Medicaid budget constraints.)

In order to support nursing homes caring for highly complex patients, Optum CarePlus has developed an Intensive Service Day (ISD) level of care. This level of care is used in situations where a resident is clinically complex, unstable and at risk of hospitalization. The ISD supports the treat-in-place care model by reimbursing for more clinically complex services provided onsite within the facility rather than transferred to the emergency department or hospital. An added benefit to the facility is that the ISD care level does not count toward a resident’s 100-day skilled nursing facility (SNF) benefit.

Residents require fewer Part A skilled days.

Optum CarePlus provided through UHC NHP waives the Medicare requirement that patients spend three days in an acute hospital before becoming eligible for Part A skilled nursing facility benefits. As a result, patients can be shifted from a custodial status to a skilled nursing status as clinical needs require, without the need for an admission to the hospital. Additionally, patients’ status can be shifted back to custodial care when their needs diminish. This ability to trigger Part A events within the facility supports the early intervention care model. Through early detection of changes in a resident’s condition, clinical interventions are started earlier to help avoid a decline in status that may ultimately require hospitalization.
In our study, Optum CarePlus patients had approximately the same number of SNF admissions as the control group (.70 vs .74), but had fewer days at a skilled level (7.43 vs. 12.19). The average Medicare-allowed amount per skilled day for Medical fee-for-service long-stay residents in the study was $376, and the amount collected by facilities was $291. In comparison, the actual amount paid per day of skilled nursing care for Optum CarePlus patients was a significant increase (43.6%) over the paid amount from traditional Medicare.

Triggering skilled events and providing onsite care without the need for a transfer to the hospital provides for increased days in participating facilities, reducing the number of days with diminished or no revenue due to state-specific bed-hold policies. Additionally, unlike standard Medicare, participating nursing homes do not risk resident transfer to an alternative facility (such as a hospital-owned or other competing SNF) if additional skilled care is necessary after hospitalization.

### Nursing homes can earn quality incentive program payments

The UHC NHP offers dividend and shared-savings programs to participating nursing homes. These payments are made when the nursing home successfully implements the clinical model and predetermined quality metrics are met. Throughout the study period, a total of more than $8 million in quality incentive payments were distributed to 140 of the 189 (74%) participating nursing homes. The quality incentive payments were not included in the payments described in the previous section. The average payment was $452 per patient per year, or approximately $30,000 per year for a facility with 60 Optum CarePlus patients.

### Nursing homes receive enhanced reimbursement outside of traditional Medicare

The reimbursement methodology implemented by the UHC NHP reduces a facility’s expense for Part A residents by paying separately for items that are generally included in Part A per diem payments received from traditional Medicare. For purposes of this study, a select number of enhanced reimbursement opportunities were included. These additional payments include, but are not limited to the following:

- **Blood glucose monitoring** — this service is not traditionally billed to Medicare by facilities. UHC NHP provides reimbursement for all blood glucose monitoring services provided.
- **Therapy screenings** — UHC NHP covers a limited number of physical and occupational therapy screenings on an annual basis.
- **Part A laboratory and radiology services** — Medicare skilled nursing facility payments include the cost of additional services, such as laboratory and imaging services. For UHC NHP members, laboratory and radiology providers bill the health plan directly for both Part A and Part B services. This reduces the facility’s expense for Part A residents compared to traditional Medicare.

The following chart outlines the financial impact the savings from Part A exclusions and additional Part B payments have to SNFs included in the study.

<table>
<thead>
<tr>
<th>Service</th>
<th>Average impact per member per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glucose screening</td>
<td>$2.05</td>
</tr>
<tr>
<td>Therapy screening</td>
<td>$2.26</td>
</tr>
<tr>
<td>Part A laboratory and radiology (other)</td>
<td>$57.00</td>
</tr>
<tr>
<td>Total</td>
<td>$61.31</td>
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</tbody>
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Nursing homes benefit in other ways. There are a number of indirect benefits of Optum CarePlus to nursing homes. For example, the additional training and mentoring that nursing home staff receive increase the skill level of the facility, enabling it to treat more complex patients. This enhances the facility’s marketability to local hospitals for short-stay admissions. Additionally, patients and their families receive improved communications when the nurse practitioners are involved in the patient’s care. This increases the residents’ and responsible parties’ satisfaction level with the care received at the facility. These factors, along with fewer transitions of care can serve to improve the public perception of the nursing home in the community, thus increasing occupancy.
Conclusions

While the clinical and quality successes of this program have been widely reported, the impact on nursing homes has been less clear until now. Optum CarePlus, when partnered with a progressive Medicare Advantage Plan such as the UHC NHP, has consistently demonstrated cost savings and reduced use of inpatient hospital services. Reducing the number of times that frail elderly patients are exposed to care transition is an important quality measure — whether that is an emergency room visit or an admission.

This study concludes that there are a number of significant financial advantages to the nursing home. These include:

- Higher payment per day for Part A skilled stays
- More stable census
- Increased custodial days in the facility
- Opportunities to earn quality recognition payments
- Enhanced reimbursement for services that are normally not available to nursing homes

These differences mean that the participating nursing home receives higher overall revenue, higher bed occupancy rates and improved patient care.

To see what another skilled nursing facility has to say about Optum CarePlus, talk to the Optum CarePlus representative in your market or visit Optum.com/CarePlusAdmin.

About Optum

Optum is a leading information and technology-enabled health services business dedicated to helping make the health system work better for everyone. With more than 35,000 people worldwide, Optum delivers intelligent, integrated solutions that modernize the health system and help to improve overall population health.

References


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