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Unintended Consequences of Steps to Cut Readmissions and Reform Payment May Threaten Care of Vulnerable Older Adults

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Synopsis

The Affordable Care Act includes provisions that are intended to improve the care patients receive as they transition from one health care setting to another, such as hospital to home care. Additional policies and practice changes may be needed, however, to ensure the needs of vulnerable patients requiring long-term services and supports are met.

The Issue

"Transitional care programs can be implemented in ways that do not increase overall public spending."

In the United States, more than 6 million older adults receive long-term services and supports from a range of providers and family caregivers in a variety of settings. These individuals often have complex health needs that cause dramatic changes in health status and, consequently, result in frequent transitions between providers and care settings. In this *Health Affairs* article, Commonwealth Fund–supported researchers examine the impact of three provisions in the Affordable Care Act meant to address the fragmentation in care experienced by older adults: the Hospital Readmissions Reduction Program, the National Pilot Program on Payment Bundling, and the Community-Based Care Transitions Program.

Health Reform Provisions That Will Affect Older Adults

Hospital Readmissions Reduction Program

Beginning in October 2013, hospitals with "excessive" readmissions of Medicare beneficiaries within 30 days of discharge will be financially penalized. The policy initially targets three conditions: heart failure, pneumonia, and acute myocardial infarction; in 2015, additional conditions will be added. To help hospitals meet targets, the Department of Health and Human Services will make quality improvement programs available to hospitals with high severity-adjusted rehospitalization rates. While this program should motivate providers to focus on preventable rehospitalizations and achieve better outcomes, it could

also present some challenges. Hospitals could respond to the policy by discouraging or limiting frail older adults' access to their facilities and services, the authors say. And while the staff of acute, postacute, and long-term care facilities must be prepared to meet the complex needs of patients, only hospitals with high severity-adjusted rehospitalization rates will be eligible to receive quality improvement services.

National Pilot Program on Payment Bundling

Beginning in 2013, the Center for Medicare and Medicaid Innovation will begin receiving proposals on bundled-payment models that offer participating providers a set dollar amount for each episode of care. Bundled payments have the potential to reduce costs while maintaining or improving quality. The pilot program, however, excludes long-term services and supports from the bundle, giving long-term care providers little incentive to coordinate care. Given the fixed payment for an inpatient episode of care, federal officials need to take steps to ensure that frail older adults are able to access services they need.

Community-Based Care Transitions Program

Community-based organizations, in combination with hospitals with high rehospitalization rates, will receive $500 million to provide transitional care services to improve outcomes for high-risk Medicare beneficiaries and reduce costs. Thirty sites have been selected to participate. Certain beneficiaries who stand to benefit from transitional care—for example, those who are not admitted as inpatients and those with low "risk scores" but high levels of functional impairment—may not be eligible to participate in the program. Again, adjustments to the program, the authors say, may be necessary to address their needs.

Recommendations for Overcoming Barriers When Implementing Reforms

- Monitor outcomes to gauge progress and protect against adverse events or harm. New indicators, in addition to ones measuring rehospitalizations, may be needed to assess person- and family-centered care and effective transitions.
- Expand the Hospital Readmissions Reduction Program to hold postacute and long-term care providers accountable for avoidable events.
- Extend the bundle periods following hospitalization to account for older adults with complex care needs that take longer to resolve. Blend Medicare and Medicaid payments to cover an episode of care requiring acute, postacute, and long-term care needs.
- Help providers keep up with requirements by implementing validated transitional care practices, investing in provider coaching and educating patients and caregivers, and reforming scope-of-practice laws—for instance, by allowing advance practice nurses to prescribe medications.

The Bottom Line

Provisions in the Affordable Care Act will facilitate improvements in transitional care, but policymakers should monitor outcomes—and make policy changes as needed—to ensure that older adults' needs are met.

Citation

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This summary was prepared by Deborah Lorber.