

Preliminary Review Team Findings on

**Community Aging in Place-Advancing Better Living for Elders (CAPABLE)  
Provider Focused Payment Model**

Submitted by Johns Hopkins School of Nursing and  
the Stanford Clinical Excellence Research Center

Len M. Nichols, PhD (Lead Reviewer)  
Paul N. Casale, MD, MPH  
Jennifer Wiler, MD, MBA

June 17, 2019

# Presentation Overview

- Preliminary Review Team (PRT) Composition and Role
- Proposal Overview
- Summary of the PRT Review
- Key Issues Identified by the PRT
- PRT Evaluation Using the Secretary's Criteria

# Preliminary Review Team Composition and Role

- The PTAC Chair/Vice Chair assigns two to three PTAC members, including at least one physician, to each complete proposal to serve as the PRT. One PRT member is tapped to serve as the Lead Reviewer.
- The PRT identifies additional information needed from the submitter and determines to what extent any additional resources and/or analyses are needed for the review. ASPE staff and contractors support the PRT in obtaining these additional materials.
- The PRT determines, at its discretion, whether to provide initial feedback on a proposal.
- After reviewing the proposal, additional materials gathered, and public comments received, the PRT prepares a report of its findings to the full PTAC. The report is posted to the PTAC website at least three weeks prior to public deliberation by the full Committee.
- The PRT report is not binding on PTAC; PTAC may reach different conclusions from those contained in the PRT report.

# Proposal Overview

**Background:** The CAPABLE proposal is based on a pilot study that was funded under a Health Care Innovation Award and was also evaluated as an NIH-funded randomized controlled trial.

**Goals:** CAPABLE is designed to improve the functional ability of older adults with chronic conditions and functional limitations.

**APM Entity:** An accountable care organization (ACO) or equivalent organization.

## Core Elements of the Program:

### Time-Limited CAPABLE Intervention

- 10 home sessions (60-90 minutes each)
  - 6 sessions with an Occupational Therapist [OT]
  - 4 sessions with a Registered Nurse [RN]
- Provided over the course of 4 to 5 months
- A handyworker, at the direction of the OT, performs limited home repairs, adaptive modifications, or installation of assistive devices
- All sessions have a patient-centered focus

### CAPABLE Program Eligibility Criteria

- Self-reported or positive screen for difficulty with at least one activity of daily living (ADL)
- Other high-risk features (e.g., recent hospital stay or ED visit related to falls or in-home accidents, debilitating chronic pain, polypharmacy, limited caregiver support, or depressive symptoms)
- Community-dwelling (home or an apartment)
- Minimal cognitive impairment
- Not terminally ill
- Income  $\leq$ 200 percent of Federal Poverty Level

# Proposal Overview – *Continued*

## Payment:

- The submitter proposes reimbursing for CAPABLE services as a flat fee that is not risk-adjusted.\*
- CAPABLE services are estimated to cost \$2,882 (includes up to \$1,300 for handyworker services).
- Traditional fee-for-service (FFS) Medicare does not currently reimburse CAPABLE services:
  - CPT codes allow for OT evaluation and RN services, but many CAPABLE interactions (e.g., motivational interviewing, assessing individual goals, and evaluating person-environment fit) are not “skilled needs” under Medicare FFS.
  - Medicare FFS does not cover home modifications.
  - Medicare Advantage plans may offer coverage for supplemental benefits that are “primarily health-related” and this definition has been expanded for 2019 to include items/services such as fall prevention devices.
- The proposed model does not address total cost of care or risk sharing.\*
  - The submitters believe that CAPABLE services reduce health service use (hospitalizations, SNF admissions and long-term services and supports) and total Medicare and Medicaid costs for up to two years after the intervention.
  - The submitters envision that the initial “bundled payment” will allow for the model to be implemented while further incentivizing organizations such as ACOs to take full or partial risk for their population.

\* The submitter provided a response to the PRT Report indicating a willingness to modify their proposal, but many details would need to be worked out.

# Proposal Overview – *Continued*

## **Published Evidence and Support:**

- Analyses from the randomized trial show for CAPABLE recipients versus attention controls receiving social visits only:
  - Significant reductions in functional limitations at five months after baseline.
  - No significant difference in functional limitations at 12 months after baseline.
- The HCIA evaluation found no significant difference in average quarterly Medicare or Medicaid expenditures, though estimates were imprecise due to small samples.
- Many organizations indicate support for CAPABLE (e.g., letters in proposal & public comments).
- The proposal listed 18 US-based CAPABLE programs being implemented with funding from other sources (e.g., foundations or under Medicaid waivers).

# Summary of the PRT Review

Criteria Specified by the Secretary (at 42 CFR §414.1465)	PRT Conclusion	Unanimous or Majority Conclusion
1. Scope (High Priority)	Meets	Unanimous
2. Quality and Cost (High Priority)	Meets	Unanimous
3. Payment Methodology (High Priority)	Does Not Meet	Unanimous
4. Value over Volume	Meets	Unanimous
5. Flexibility	Meets	Unanimous
6. Ability to be Evaluated	Meets	Unanimous
7. Integration and Care Coordination	Does Not Meet	Majority
8. Patient Choice	Meets	Unanimous
9. Patient Safety	Meets	Unanimous
10. Health Information Technology	Does Not Meet	Unanimous

# Key Issues Identified by the PRT

- CAPABLE is an innovative approach to an important problem not addressed in current payment models.
  - Medicare beneficiaries living at home with multiple chronic conditions and functional limitations are at high risk of further functional decline and high-cost health care use that could be avoided (e.g., prevention of falls).
  - The CAPABLE model has shown success and garnered much support and attention, and the PRT finds that it meets many of the Secretary's criteria.
  - The PRT recognizes that CPT codes do not exist for the CAPABLE OT and RN services and that FFS Medicare does not cover home modifications.
- The proposal does not demonstrate, however, whether an APM is needed for CAPABLE services and, if so, how that model would be structured.
  - In response to the PRT Report, the submitters indicated a willingness to modify the original proposal of a flat bundle rate to one with risk adjustment and both upside and downside risk sharing. However, the proposed model still lacks many specific details that would need to be worked out.

## Key Issues Identified by the PRT– *Continued*

- Some CAPABLE services are currently paid through Medicaid waivers or other programs.
  - The PRT recognizes that coverage through Medicare for qualified low-income beneficiaries would facilitate a uniform national approach.
  - However, PTAC has no authority over coverage decisions or CPT code creation, and the PRT is not convinced that an APM is the best way to provide the specific set of services that CAPABLE provides.
- Aside from payment, PRT members were concerned about lack of specific physician interactions with CAPABLE team members, especially regarding care coordination and integration.
  - The submitters provided useful examples on this issue in their response to the PRT Report, but the examples are not directly built into the proposed model.
- The proposal indicates that an EPIC module exists that can facilitate access by physicians and other providers to notes recorded by the CAPABLE OTs and RNs.
  - The proposed model, however, lacked requirements for such information exchange. Many providers may not use EPIC, though the submitter’s responses indicated willingness to explore methods to address this problem.

# Criterion 1. Scope (High Priority)

## Criterion Description

Aim to either directly address an issue in payment policy that broadens and expands the CMS APM portfolio or include APM Entities whose opportunities to participate in APMs have been limited.

## PRT Conclusion

Meets criterion

## Unanimous or Majority Conclusion

Unanimous

- The model offers a bundle of services that is not currently covered by Medicare in other APMs and targets providers (OTs and RNs) whose services are not typically covered by APMs.
- CAPABLE focuses on patient-centered care.
- The model targets low-income FFS beneficiaries who currently have the capacity to reside in their own homes and are not terminally ill but are at high risk of health decline.
- The submitters have made a substantial commitment to replicating the model in other settings.
- Concerns include:
  - The providers involved in service provision (OTs, RNs, and handyworkers) are not likely in a position to operate an APM and would need to partner with a larger organization.
  - Although the submitter endorsed the idea of embedding CAPABLE services in an existing APM such as an ACO, the proposal does not describe how to create and structure such a contract.

## Criterion 2. Quality and Cost (High Priority)

### Criterion Description

Are anticipated to improve health care quality at no additional cost, maintain health care quality while decreasing cost, or both improve health care quality and decrease cost.

### PRT Conclusion

Meets Criterion

### Unanimous or Majority Conclusion

Unanimous

- Focus group and survey evidence show improvements in quality of care and safety for high-risk beneficiaries living in their homes.
- Published analyses show a 30 percent reduction ( $p=0.013$ ) in ADL difficulties at five months for CAPABLE participants, relative to a randomized control group receiving attention visits only.
  - However, assessment at 12 months after baseline showed no significant differences in ADL difficulties for participants versus attention group controls.
- The HCIA evaluation showed no reduction in average quarterly Medicare or Medicaid expenditures, though sample sizes were small.
  - The submitters provided unpublished estimates of reductions in Medicare and Medicaid expenditures based on modelling.
- The evidence indicates that the CAPABLE services are likely to improve health care quality at least at no additional cost.
  - However, attaining this goal could be contingent on continued careful targeting of people most likely to benefit from the services.

# Criterion 3. Payment Methodology (High Priority)

## Criterion Description

Pay APM Entities with a payment methodology designed to achieve the goals of the PFPM criteria. Addresses in detail through this methodology how Medicare and other payers, if applicable, pay APM Entities, how the payment methodology differs from current payment methodologies, and why the PFPM cannot be tested under current payment methodologies.

## PRT Conclusion

Does Not Meet Criterion

## Unanimous or Majority Conclusion

Unanimous

- The submitters understand the importance of developing APMs that encourage risk-sharing and accountability.
- Offering CAPABLE services through a value-incentivized structure such as an ACO could be an excellent approach to a payment model for CAPABLE services.
- Concerns include:
  - The flat payment is not risk adjusted. ACOs may not be willing to participate in a payment model that does not involve risk adjustment, since the total cost of care would likely vary substantially among CAPABLE-eligible beneficiaries.
  - Although current Medicare CPT codes do not cover many of the CAPABLE OT and RN activities, it might be inherently more efficient to develop codes to pay for these services rather than develop a separate APM focused on CAPABLE services.
- In total, the submitters have not sufficiently specified how the model would work, and much further development by CMS would likely be needed to make a CAPABLE PFPM operational.

# Criterion 4. Value over Volume

## Criterion Description

Provide incentives to practitioners to deliver high-quality health care.

## PRT Conclusion

Meets Criterion

## Unanimous or Majority Conclusion

Unanimous

- The CAPABLE services are inherently intended to provide value over volume by using a bundle of services to provide patient-centered care that can help beneficiaries remain in their homes with improved function and safety.
- However, the lack of detail on a number of important issues means it is difficult to assess how value over volume would be achieved.
  - The proposal does not identify which costs would be the responsibility of the APM or which costs would not be included in the calculation of upside or downside risk-sharing.
- The proposal meets the value over volume criterion because of its underlying intent to provide a patient-centered service that would improve quality of care and does not appear to increase costs.
- The PRT assumes that risk-sharing provisions could be developed to help ensure reductions in the likelihood of events such as falls and high-cost hospital use.

# Criterion 5. Flexibility

## Criterion Description

Provide the flexibility needed for practitioners to deliver high-quality health care.

## PRT Conclusion

Meets Criterion

## Unanimous or Majority Conclusion

Unanimous

- Although some components of the CAPABLE services are not strictly health care services, the PRT believes they are consistent with the broader definition of non-medical services that are “primarily health-related” being used by Medicare Advantage for supplemental benefits.
- As described, CAPABLE focuses on patient-centered care, tries to identify patient preferences including what they believe they need most to remain in their homes, and seeks to enhance communication between patients and their physician providers.
- While the care provided under the CAPABLE pilot was shown to be high quality and flexible, expansion of the model may require more specific processes for involving primary care physicians to ensure flexibility to deliver high-quality health care.

# Criterion 6. Ability to be Evaluated

## Criterion Description

Have evaluable goals for quality of care, cost, and any other goals of the PFPM.

## PRT Conclusion

Meets Criterion

## Unanimous or Majority Conclusion

Unanimous

- The proposal notes the use of a number of relevant measures including functional status measures and a depression measure as well as a fall risk assessment. These measures are routinely obtained before and after the intervention (CAPABLE services) for comparison.
- Although the sample size for the randomized controlled trial was so small that precise estimates of service use and costs were not possible, it would be possible to identify a comparison group and use statistical methods (e.g., propensity score matching) to conduct an observational study.

# Criterion 7. Integration and Care Coordination

## Criterion Description

Encourage greater integration and care coordination among practitioners and across settings where multiple practitioners or settings are relevant to delivering care to the population treated under the PFPM.

## PRT Conclusion

Does Not Meet Criterion

## Unanimous or Majority Conclusion

Majority

- The CAPABLE model makes innovative use of OTs and RNs, who are very well positioned to understand patient needs and preferences as well as enhance communication of the needs and preferences to other providers, including physicians.
- The CAPABLE team can help address needs that office-based physicians may not have time or capacity to resolve even if they are aware of the needs.
- While the CAPABLE services seem inherently valuable, the proposal lacks details of physician involvement or oversight.
  - While the proposal emphasized coordination between the OT, RN, and handyworker services, scant attention was paid to integration of this information beyond the CAPABLE staff.
  - If expenditure reductions are to come from reductions in high-cost health services, greater interactions with clinicians will be needed.
- The proposal does not include specifics of approaches such as a reporting system with various required touchpoints with a patient's primary care physician. Provisions for direct exchange of information between CAPABLE staff and physicians may be needed.

# Criterion 8. Patient Choice

## Criterion Description

Encourage greater attention to the health of the population served while also supporting the unique needs and preferences of individual patients.

## PRT Conclusion

Meets Criterion

## Unanimous or Majority Conclusion

Unanimous

- CAPABLE focuses on understanding the client's goals and preferences.
- CAPABLE also focuses on enhancing the client's skills in communicating their needs and preferences to providers beyond the CAPABLE team.
- The PRT feels that CAPABLE embodies a patient-centered approach that facilitates patient function and independence in decision-making.

# Criterion 9. Patient Safety

## Criterion Description

Aim to maintain or improve standards of patient safety.

## PRT Conclusion

Meets Criterion

## Unanimous or Majority Conclusion

Unanimous

- CAPABLE services are inherently intended to improve the safety of the home environment and to increase the length of time that individuals with chronic conditions and functional impairments may safely live at home.
- However, it would be desirable to ensure interactions with other providers beyond the CAPABLE team to ensure that patient safety can be maintained beyond the four- to five-month period of CAPABLE services.
- In total, the services are intended to improve safety, and the concerns about enhanced interactions with other providers could be addressed.

# Criterion 10. Health Information Technology

## Criterion Description

Encourage use of health information technology to inform care.

## PRT Conclusion

Does Not Meet Criterion

## Unanimous or Majority Conclusion

Unanimous

- The CAPABLE submitters note that an EPIC module exists.
  - Health systems using EPIC as an electronic health record could adopt this model to enable access by other providers to the OT and RN notes recorded in the system.
- However, EPIC is not the only electronic health record system vendor.
- HIT could be a good way to enable touchpoints between the CAPABLE team and other health care providers.
  - The proposal does not currently require its use or consider the feasibility for a broader set of vendors or providers not linked to the CAPABLE team through an electronic health record system.