Opportunities to Align Payment with Improving Care for Alzheimer's Disease

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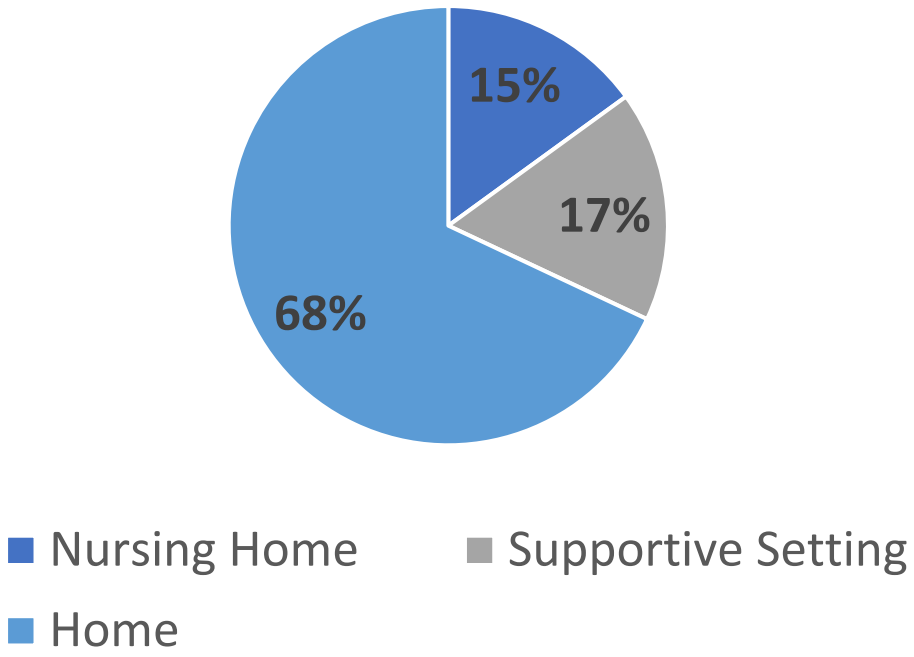
- No relevant disclosures of conflicts of interest

Roadmap

- Payment landscape for people with Alzheimer's Disease and Related Dementias (ADRD)
- How the payment landscape influences ADRD care delivery and quality
- Promising payment models and current levers to support these models
- Evidence gaps on aligning payment, quality and outcomes

Where do People with ADRD Receive Care and Who Pays for It?

Living Arrangements Among Older Adults with Dementia, 2015



Source: Chi et al. 2019

- Among people with dementia:[1]
  - 95% in Medicare
  - 24% dual eligible
- Estimated lifetime expenditures for ADRD:[2]
  - Families bore 70% of cost burden (out-of-pocket, unpaid caregiving)
  - Medicare 16%
  - Medicaid 14%

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[1] Garfield et al. 2015; [2] Jutkowitz et al. 2017

Public Payers Cover Different Types of ADRD Services and Care Settings

- Medicare:
  - Ambulatory, hospital, post acute care (PAC), physical/occupational therapy, hospice

- Medicaid:
  - Ambulatory, hospital, physical/occupational therapy, nursing homes (long stays), home and community-based services (HCBS) - including elements of assisted living in some states

Payers and Care Settings Evolve as ADRD Progresses

Payers: **Medicare + Private Pay + Unpaid Caregiving** → **Medicaid***

Settings:

Early ADRD → **Moderate ADRD** → **Advanced ADRD** → **End-of-Life**

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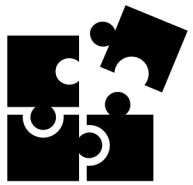
*Medicare for hospice

Influence of Payment Systems on ADRD Care Delivery and Quality

Setting-Specific Payment:[3] Challenges with care coordination/transitions; Limited resources for home care



Payer Fragmentation:[3, 4] Challenges with care coordination/transitions; Challenges with aligning incentives to improve quality

Gaps in HCBS:[5, 6] Medicaid only significant source of funding; Reliance on waiver authority with limited enrollment; Income/asset limits, cost-sharing

Long-Term Care Market Changes and Impacts on Nursing Homes:[7, 8] Rebalancing, growth in assisted living → nursing home population more medically complex, more Medicaid, fewer private pay patients; Decreased facility-based PAC during COVID-19

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[3] NASEM 2022; [4] Grabowski 2007; [5] Ryan & Edwards 2015; [6] Johnson & Lindner 2016; [7] Cornell et al. 2020; [8] Werner & Bressman 2021

Distinctive Payment and Quality Challenges for ADRD

- Early diagnosis
  - Fewer than half of patients with dementia receive a diagnosis from a physician;[9, 10] providers cite lack of time during consultations to evaluate, establish a diagnosis[11]
- Care transitions
  - Higher risk of readmission, mortality following hospitalization;[11. 12] risk of readmission increased among those with unmet caregiver needs[13]
- Behavioral and Psychological Symptoms of Dementia (BPSD)
  - Requires round-the-clock care, associated with caregiver burnout[14]
- End-of-life care
  - Challenging to accurately predict life expectancy in ADRD – longer hospice stays and higher rates of disenrollment observed, contributing to care fragmentation[15]

- Combined effect of payment systems and clinical features of ADRD:
  - Heavy reliance on unpaid caregivers and gaps in HCBS → high out-of-pocket spending → pull towards nursing home care

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[9] Lang et al. 2017; [10] Savva & Arthur 2015 NASEM 2022; [11] Daiello 2018; [12] Anderson et al. 2022; [13] Knox et al. 2020; [14] Hiyoshi-Taniguchi et al. 2018; [15] De Vleminck et al. 2018

What Have Researchers Suggested as Promising Elements of Payment Models for ADRD Care?

- Person-centered payment[16]
- Integration/coordination across payers[17]
- Value-based payment[18]
  - Accountability for quality
  - Flexibility to reimburse for valuable services not covered in traditional insurance arrangements (e.g., caregiver training and coaching, community-based supports)

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[16] Boustani et al. 2019; [17] NASEM 2022; [18] Super 2021

Levers to Test and Support Promising Payment Models

Value-Based Payment, Setting Specific	Medicare Merit-based Incentive Payment System Medicaid Value-Based Payment Programs for Nursing Homes
Value-Based Payment	Medicare Shared Savings Program
Person-Centered with some Long-Term Services and Supports (LTSS) Elements	Medicare Advantage (MA) Institutional Special Needs Plans (I-SNPs) MA expanded primarily health-related supplemental benefits MA Special Supplemental Benefits for the Chronically Ill (SSBCI) Medicaid Managed LTSS Medicaid Consumer Self-Direction Medicaid Money Follows the Person
Person-Centered, Coordinated Across Payers	CMS Financial Alignment Initiative Dual-Eligible SNPs (D-SNPs), Fully/Highly Integrated D-SNPs Program for All-Inclusive Care of the Elderly (PACE)
End-of-Life-Care	MA Value-Based Insurance Design (VBID) Hospice Benefit

What More Do We Need to Know to Better Align Payment with Quality and Outcomes for ADRD?

- Limited evidence on impacts of value-based payment on people with ADRD.

- Outside of PACE, limited evidence on how integrated care programs (e.g., D-SNP varieties) are serving people with ADRD and their outcomes.[19]

- Less evidence on assisted living facilities.

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[19] Feng et al. 2021

What More Do We Need to Know to Better Align Payment with Quality and Outcomes for ADRD?

- Evidence to guide states on HCBS program design:
  - Which HCBS waiver designs best support the delivery of evidence-based ADRD care models?
  - How do these designs influence quality and outcomes for people with ADRD, including nursing home use and total expenditures?[20]

- Do payment levers differ in their effects on equitable access and treatment?[21]
  - In particular, communities of color disproportionately affected by ADRD?

- Which payment models improve the quality of end-of-life care?
  - MA VBID model may shed light on this.

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[20] Wang et al. 2020; [21] NASEM 2022

Is Payment System Reform Enough?

- PACE contains many of the desired elements for payment and delivery of care for ADRD – but adoption has been limited by other hurdles (e.g., regulatory).

- Medicare adopted Cognitive Assessment and Care Plan codes in 2017 to improve early diagnosis – but use has been low.[a]

- Key research question is what *combination* of payment, delivery system and regulatory changes are needed?

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[a] Li et al. 2021

Thank You!

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