

June 11, 2018

Physician-Focused Payment Model Technical Advisory Committee  
C/o U.S. DHHS Asst. Secretary of Planning and Evaluation Office of Health Policy  
200 Independence Avenue S.W.  
Washington, D.C. 20201  
[PTAC@hhs.gov](mailto:PTAC@hhs.gov)

Letter of Intent – CAPABLE Program

Dear Committee Members,

On behalf of **Johns Hopkins School of Nursing** and **Stanford Clinical Excellence Research Center**, we intend to submit a Physician-Focused Payment Model for PTAC review by August 2018.

### **Expected Participants**

This program, called Community Aging in Place—Advancing Better Living for Elders (CAPABLE), improves the functional ability of older adults with chronic conditions and functional limitations. CAPABLE is a time-limited intervention performed by an interdisciplinary team of an occupational therapy (OT), registered nurse (RN), and “handyman.” Patients include Medicare beneficiaries with at least two chronic conditions and difficulty with at least one activity of daily living (ADL), such as bathing or dressing. This population utilizes a larger proportion of healthcare resources compared to beneficiaries without chronic conditions and functional limitations.<sup>1</sup> These costs are driven largely by hospitalizations and long-term care such as nursing homes.<sup>2</sup> Ideally, any physician or advanced practitioner would write a “prescription” for CAPABLE services to their most at-risk patients. The intervention<sup>3</sup> includes 10 home sessions (6 OT and 4 RN), each 60-90 minutes over the course of 4-5 months. The nurse specifically addresses pain, depression, polypharmacy, and primary care communication. The participant, together with the clinicians, identifies specific functional goals for which the occupational therapist provides assessment, education, and interactive problem solving. The OT also directs handypersons to perform limited home repairs, adaptive modifications, or installation of assistive devices (up to \$1300 in 2013 USD). This program leverages evidence-based services that allow functionally limited older adults to remain independent in their communities.

### **Goals of the Payment Model**

- Decrease hospitalizations with associated costs and morbidity; delay transition to nursing home consistent with individual preferences.

- Improve functional abilities by addressing participants’ personalized goals, decrease polypharmacy and improve depression scores
- Offer primary care providers and hospitals a way to refer and bill for a proven combination of services not currently fully covered by Medicare.

**Payment Model Overview**

This model would create payment for CAPABLE services currently only partially covered by Medicare. Proposed financial models include an upfront “bundled” charge for services based on evidence that suggests an average Medicare net savings of \$700 PMPM for at least two years following the intervention.<sup>4</sup> While best utilized in value-incentivized organizations, this model would also allow organizations moving towards value-based care to charge for and deliver CAPABLE. An advanced alternative payment model could promote improved intervention fidelity/quality and decrease risk of fraud, but would increase the administrative burden required to administer the intervention.

**Implementation Strategy**

The CAPABLE bundle was previously tested with a CMMI grant<sup>5</sup> and proved effective with multiple subsequent implementations. Although piloted through various waivers, the scaling and adoption of this intervention is limited by the mismatch between payment for services and the significant savings recouped to Medicare by implementation of this program. The key features of organizing this intervention include the ability of an organization to contract outside providers, a platform for communication and measurement of results (such as an EMR), and an individual to coordinate the findings (could be RN or additional administrative organizer/care coordinator).

**Timeline**

We believe the CAPABLE bundle could be implemented broadly by individual organizations within 3-6 months of approval because it has been piloted in multiple locations with effectiveness data that is consistent with the original intervention data.



Sarah L. Szanton, PhD, ANP, FAAN  
 525 North Wolfe Street #424  
 Johns Hopkins School of Nursing  
 Baltimore, MD 21205  
 sarah.szanton@jhu.edu



Kendell M. Cannon, MD  
 Francesca Rinaldo, MD, PhD  
 Myra Altman, PhD  
 Stanford Clinical Excellence Research Center  
 75 Alta Road  
 Stanford, CA 94305  
 kcannon@stanford.edu

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