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## **Managed Care Reduces Hospitalizations Compared to Traditional Fee-for-Service Insurance in Nursing Home Residents with Advanced Dementia**

BOSTON – Nursing home residents with advanced dementia commonly experience burdensome, costly interventions that do not improve their quality of life or extend their survival. Now a new study suggests that providing intensive primary care services may result in less burdensome and less costly care for these terminally ill residents.

Led by researchers at the Harvard Medical School-affiliated Institute for Aging Research at [Hebrew SeniorLife](#), New York University School of Medicine, Harvard Medical School, and Beth Israel Deaconess Medical Center, the study appears in the Sept. 23 online issue of [JAMA Internal Medicine](#).

The researchers analyzed data from 291 nursing home residents with advanced dementia, comparing those who were covered by managed care insurance to those enrolled in traditional fee-for-service Medicare insurance.

Most of these residents are dually eligible for traditional Medicare, which pays for hospital care and physician services on a fee-for-service basis, and Medicaid, which pays nursing homes for daily room, board and nursing care. Since nursing homes do not receive higher reimbursement to manage acutely ill long-term-care residents on-site, they have an incentive to transfer these residents to the hospital, temporarily shifting the cost of care from Medicaid to Medicare. In contrast, managed care programs combine Medicare and Medicaid costs for dual-eligible nursing home residents.

"Under managed care, the fiscal incentive for hospitalizing acutely ill nursing home residents with end-stage dementia goes away," explained co-author Susan L. Mitchell, M.D., M.P.H., a senior scientist at the Institute for Aging Research whose grants in part supported the research. "We'd like policymakers to understand that this is an example of how a change in the system can lead to less burdensome, more affordable care."

Patients with advanced dementia no longer recognize their families, depend on others for their basic needs, speak fewer than five words, and are bedbound and incontinent. Based on earlier work led by Dr. Mitchell, advanced dementia is now viewed as a terminal illness; this work also showed that the families of most of these patients feel the main goal of care is comfort, although patients often receive aggressive care that does not promote that goal.

The new research showed that managed-care residents, who had more primary-care visits, predominantly from nurse practitioners, were more likely to have a do-not-hospitalize (DNH) order in place (63.7 percent for managed-care residents vs. 50.9 percent for fee-for-service residents). These residents also had fewer hospital transfers for acute illness (3.8 percent vs. 15.7 percent) than those in traditional Medicare insurance. In addition, the research suggests

that managed-care residents may have been more likely to enter hospice, and that family members may have been more satisfied with overall care at the nursing home.

"We found no appreciable difference in survival outcomes between the managed care and fee-for-service groups," said lead author Keith S. Goldfeld, Dr.P.H., M.S., M.P.A., an instructor in biostatistics at New York University School of Medicine. "Comfort and other treatment outcomes also did not differ significantly."

Nursing home reimbursement policies are among the factors that lead to more aggressive care, noted Goldfeld. "If the payment structure is set up in a way that doesn't benefit the provider to hospitalize residents when they get sick by temporarily shifting costs, the research suggests that you may have equal or even improved outcomes."

The investigators also said this research should prompt families to consider opting for managed care or nurse practitioner-based insurance programs for their loved ones with advanced dementia who are in nursing homes.

This research was supported by the National Institute on Aging at the National Institutes of Health. Study co-authors included David C. Grabowski, Ph.D. and Daryl J. Caudry, M.S.

#### **About the Institute for Aging Research**

Scientists at the Institute for Aging Research seek to transform the human experience of aging by conducting research that will ensure a life of health, dignity and productivity into advanced age. The Institute carries out rigorous studies that discover the mechanisms of age-related disease and disability; lead to the prevention, treatment and cure of disease; advance the standard of care for older people; and inform public decision-making.

#### **About Hebrew SeniorLife**

Hebrew SeniorLife, an affiliate of Harvard Medical School, is a national senior services leader uniquely dedicated to rethinking, researching and redefining the possibilities of aging. Based in Boston, the non-profit, non-sectarian organization has provided communities and health care for seniors, research into aging, and education for geriatric care providers since 1903. For more information about Hebrew SeniorLife, visit [www.hebrewseniorlife.org](http://www.hebrewseniorlife.org) or connect on [Twitter](#), [Facebook](#) or our [blog](#).

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