

## State incentives to improve nursing home quality work

Written by Commissioner Lucinda Jesson, Minnesota Department of Human Services  
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When staff and administrators at a company that runs more than a dozen nursing homes across Minnesota wanted to do a better job helping residents move back into their homes and communities, they reached out to the Department of Human Services to find the best path forward. Together, the public and private sectors developed an education program to better prepare residents to manage their conditions at home. The result was a reduction in hospital re-admissions and healthier Minnesotans.

Throughout Minnesota nursing homes are identifying their own issues and finding their own solutions. In one nursing facility, a program identifies residents at risk for nutritional problems and intervenes to reduce unintended weight loss. In another program they are improving residents' ability to independently perform basic tasks such as getting dressed or moving around the facility through group exercise. In 16 nursing homes throughout Greater Minnesota, programs to reduce unnecessary medications and treatment for residents are being implemented.

These are just a few examples of the programs supported by the Minnesota Department of Human Services' one-of-a-kind Performance-based Incentive Payment Program, or PIPP. This nation-leading program assists nursing homes by helping identify areas of care they want to improve. Then, working together, an evidence-based solution is developed, implemented and evaluated. The result is better care for seniors, payment increases for the nursing home and oftentimes overall lower costs for the state.

Recently this program's effectiveness in improving quality was validated in a study conducted by professors and staff of the Indiana University Center for Aging Research, the Regenstrief Institute, Harvard Medical School, Purdue University, the University of Minnesota and staff in our department. The study found that nursing home facilities participating in the performance improvement program had significantly higher quality scores than facilities not in the program. Furthermore, these facilities not only made progress in addressing targeted issues but improved quality overall. The program, the study concluded, could be a model for other states. "PIPP emerged in, and is unique to Minnesota, a state that has been a leader in long-term care policy as evidenced by its top ranking on the AARP scorecard report," the study said.

With the support of Gov. Mark Dayton and the Minnesota Legislature, we are now beginning to apply what we have learned from our nursing home pay-for-performance efforts to home and community-based services older Minnesotans and people with disabilities receive, assisted living and other settings. Over the next few years, we hope to demonstrate similar quality of life

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improvements in these settings as we create new payment incentives and a new Home and Community-Based Services Report Card to go along with the Nursing Home Report Card. With a biennial budget of over \$26 billion, the Department of Human Services is a major purchaser of health care and other services. Over the last few years we have moved increasingly toward making the quality of services provided a key element of their payment. We believe that having quality outcome data is important not only for the state but for consumers, their families and service providers themselves.

In the last two years, our department has used quality measurement and pay-for-performance as a strategy across the department. We are contracting with health care providers to better coordinate care to improve outcomes for patients and lower costs to the state, with child care providers to promote higher quality so our youngest learners are ready when they enter kindergarten, and with many others.

Like the nursing home PIPP program, these new efforts will depend in large part on the creativity and dedication of the talented workers and providers throughout Minnesota who deliver the services Minnesotans depend on. Because in the end, transforming the way we pay for services isn't just about changing accounting practices, it's about engaging Minnesotans everywhere to come together to make a better system for everyone.