Session IV: Health Care Delivery System Reform

Karen Davis
Eugene and Mildred Lipitz Professor
Director, Roger C. Lipitz Center for Integrated Health Care
Department of Health Policy and Management
Johns Hopkins Bloomberg School of Public Health
kadavis@jhsph.edu

The U.S. Health Care System in Transition
The 20th Princeton Conference, Council on Health Care Economics and Policy
May 22, 2013
Princeton, NJ
Setting the Stage for Reform

- Patient Protection and Affordable Care Act
- CMS Innovations in payment and delivery pilot and demonstration projects
- Moving away from fee-for-service provider payment
- Assumptions of full or partial risk by provider organizations
FUTURE TRENDS

Current System

• Business case depends on providing lots of profitable services paid for by insurance
• Silos in care – primary care, specialty care, hospital care, post-acute care, long-term care
• Fee-for-service payment, reward for specialized services and procedures
• Profitable and unprofitable services
• Profitable and unprofitable patients
• Navigating regulatory and market environment

Future System

• Business case depends on reducing total cost of caring for defined population while achieving excellent patient outcomes and experiences
• Health systems and accountable care organizations including hospitals, physicians, other health professionals; partnerships with insurers
• Global payment, bundled payment, blended payment, value-based payment with provider organization at full or partial risk; strong primary care
• Profitability depends on LEAN provision of care; quality improvement; team-approach to care; high-cost care management
• Culturally competent care for newly insured; minority populations
• Public reporting and accountability
Payment Innovation to Support Care Coordination and Integration

- **Goal:** Create incentives for better care and lower cost throughout the continuum of health care services
- **Tools:** Primary care, payment reform, health information technology, data on comparative performance, technical assistance
  - Patient-Centered Medical Homes
  - Bundled Payment
  - Accountable Care Organizations
  - Value-Based Purchasing
  - Community Care Transitions
  - Dual Eligibles
Payment and Delivery System Reforms Support a High Performance Health System

Bernadette Loftus, M.D.
Associate Executive Medical Director
The Permanente Medical Group

Liora Bowers, M.B.A., M.P.H.
Director of Health Policy and Practice
Berkeley Forum for Improving California's Healthcare Delivery System

Francis (Jay) Crosson, M.D.
Group Vice President, Physician Satisfaction and Care Delivery Payment
American Medical Association

TODAY’S PANEL
Discussion: The Promise and The Challenge

• The Promise
  – Potential contribution of delivery system reform to achieving the Triple Aim of better care, better outcomes, and lower costs

• The Challenges
  – Implementation and execution of ACO and other integrated delivery system forms of care
  – Spread
  – Potential physician backlash, especially among specialists
  – Potential patient backlash, especially when perception of skimping, limiting choice, denying care
  – Market power of large health systems, technology/arms race
  – Decline of comprehensive employer coverage and commercial HMO coverage
  – Political fragility of ACA legislation and implementation
Thank You!

Eva Chang
Graduate Assistant
Johns Hopkins Bloomberg
School of Public Health
echang@jhsph.edu