



JOHNS HOPKINS
BLOOMBERG
SCHOOL of PUBLIC HEALTH

Session IV: Health Care Delivery System Reform

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**The U.S. Health Care System in Transition
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Economics and Policy
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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**

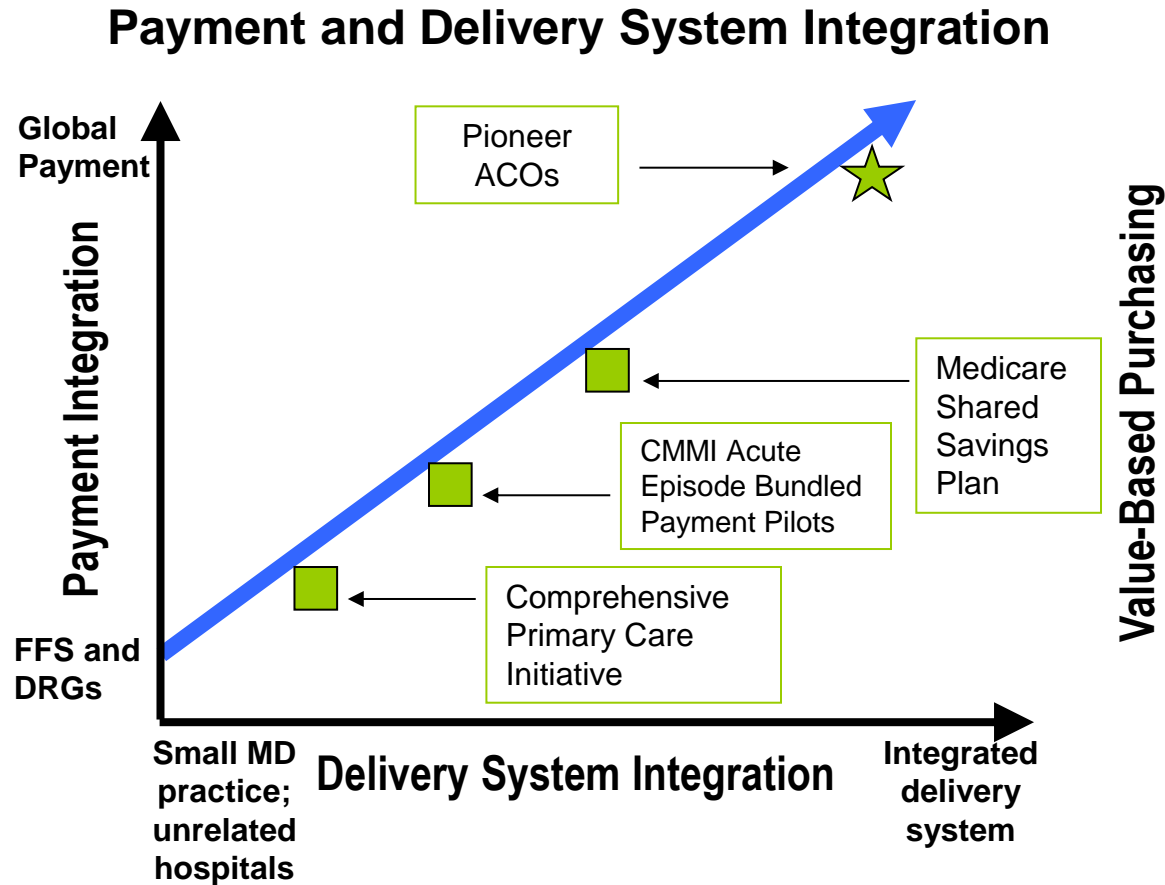


Payment Innovation to Support Care Coordination and Integration

- **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



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Group Vice President, Physician Satisfaction and Care Delivery Payment
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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!



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