Topics

- Recent Results: Quality vs Value
- Next Steps for Payment Reform
Real Health Care Reform: Higher-Value Health Care

- Effective treatments for unmet health needs
- Innovations to reduce overuse, underuse, misuse of medical technologies
- Wireless and web-based personal health tools and supports
- New delivery sites, methods and better-integrated provider teams
- Non-medical strategies for health improvement

Likely Cost Increasing
- Effective treatments for unmet health needs

Potentially Cost Decreasing
- Innovations to reduce overuse, underuse, misuse of medical technologies
- Wireless and web-based personal health tools and supports
- New delivery sites, methods and better-integrated provider teams
- Non-medical strategies for health improvement
Real Health Care Reform: Higher-Value Health Care

**LIKELY COST INCREASING – USUALLY REIMBURSED UNDER FFS**
- Effective treatments for unmet health needs

**POTENTIALLY COST DECREASING – OFTEN NOT REIMBURSED**
- Innovations to reduce overuse, underuse, misuse of medical technologies
- Wireless and web-based personal health tools and supports
- New delivery sites, methods and better-integrated provider teams
- Non-medical strategies for health improvement

Achieving Real Health Care Reform:

- Improvement & Transformation In Health Care
  - Better health and care experience
  - Lower costs
Achieving Real Health Care Reform

Innovations in Health Care
- Concept and Technical Capability
- Scalability
- Logistics and Execution

Improvement & Transformation In Health Care
- Better health and care experience
- Lower costs

Clinical Leadership
- Redefined roles
- Culture change
- Public trust

Better health and care experience
- Lower costs
Achieving Real Health Care Reform: Accountable Care = Alignment

Innovations in Health Care
- Concept and Technical Capability
- Scalability
- Logistics and Execution

Clinical Leadership
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Sustainable Business Case

Improvement & Transformation In Health Care
- Better health and care experience
- Lower costs

Expanding Accountable Care Activity Across the Country

Over 600 Total ACOs
>360 Medicare
~250 Commercial

ACO Learning Network http://www.acolearningnetwork.org
MSSP and Pioneer ACO First-Year Results: Quality

- 109/114 Medicare Shared Savings Program (MSSP) ACOs and all 32 Pioneer ACOs successfully reported quality measures
- Similar average quality performance but considerable variation in reported quality
- Better performance than quality benchmarks (now set based on performance data)
- Better performance than Medicare FFS on measures with FFS data (colorectal cancer screening, tobacco cessation, depression screening)
- Higher CAHPS patient experience survey scores than Medicare FFS

MSSP and Pioneer ACO First-Year Results: Financial

- MSSP: Medicare spending growth benchmark 0.8%
  - 54/114 MSSP ACOs had lower spending than benchmarks, and 29 reduced spending growth enough to share in savings
    - 21 of 29 successful MSSP ACOs were physician-led
  - Two MSSPs had shared losses
  - Total shared savings to MSSP ACOs of $126 million; $128 million in Medicare savings (approx 1% overall savings)

- Pioneer: Medicare spending growth benchmark 0.3%
  - 13/32 Pioneer ACOs reduces spending growth enough to share in savings
    - One Pioneer ACO had shared losses of approx. $2 million
  - Total shared savings of $76 million; $71 million in Medicare savings (approx 2% overall savings)
CMS Innovations Portfolio:
Testing New Models to Improve Quality

Accountable Care Organizations (ACOs)
- Medicare Shared Savings Program (Center for Medicare)
- Pioneer ACO Model
- Advance Payment ACO Model
- Comprehensive Erso Care Initiative

Primary Care Transformation
- Comprehensive Primary Care Initiative (CPC)
- Multi-Payer Advanced Primary Care Practice (MAPCP) Demonstration
- Federally Qualified Health Center (FQHC) Advanced Primary Care Practice Demonstration
- Independence at Home Demonstration
- Graduate Nurse Education Demonstration

Bundled Payment for Care Improvement
- Model 1: Retrospective Acute Care
- Model 2: Retrospective Acute Care Episode & Post Acute
- Model 3: Retrospective Post Acute Care
- Model 4: Prospective Acute Care

Capacity to Spread Innovation
- Partnership for Patients
- Community-Based Care Transitions
- Million Hearts

Health Care Innovation Awards

State Innovation Models Initiative

Initiatives Focused on the Medicaid Population
- Medicaid Emergency Psychiatric Demonstration
- Medicaid Incentives for Prevention of Chronic Diseases
- Strong Start Initiative

Medicare-Medicaid Enrollees
- Financial Alignment Initiative
- Initiative to Reduce Avoidable Hospitalizations of Nursing Facility Residents

Source: Patrick Conway, CMS

Payment Reform: Volume to Value

Bundling/Aggregation Across Providers
- Shared Savings ACO
- Partial Episode Payment
- Full Episode Payment
- Traditional FFS
- Case Mgt/Quality Fee
- Medical Home

Person-Level Payment (Capitation with Performance Measures)

Partial-Risk ACO

Case-Based Physician Payment
Payment Reform: Private Payers and Medicaid

- Partial-risk models increasingly common in private insurance plans
  - Payments tied (partly) to achieving target population spending growth rate set in advance: Blue Cross MA, Aetna, Cigna
  - Medical home payments + shared savings and shared risk: Blue Cross MI, specialty medical homes (eg oncology, chronic GI disease)
  - Partially bundled payments for discrete procedure episodes (uncomplicated childbirth, orthopedic procedures)

- Population- and social-service models increasingly common in Medicaid
  - Nearly 1 out of every 5 new ACOs includes community health centers, rural health clinics, and critical access hospitals
  - NASHP: 18 states now have efforts underway or have already moved a portion of their Medicaid and CHIP population over to accountable care type arrangements, many with initiatives to bundle social and community-based services (eg Camden)

Quality of Quality Measures

- Current ACO measures illustrate progress, and limitations
  - Patient/caregiver experience: CAHPS
  - Care coordination: preventable admissions, readmissions
  - Preventive care
  - Process and outcome measures for common conditions (e.g., diabetes)

- Gaps
  - Complex/frail patients
  - Less common conditions/patient types
  - Outcomes

- CMS/NQF Measure Application Partnership Priorities
  - Patient-centered outcomes spanning across settings
  - Complementary measures at 3 levels: individual clinician, facility/group/organization, population/community
Supporting High-Value Care

- Professional norms and reputation
- Payments to support higher quality – aided by performance measures:
  - Practice capabilities and expectations
  - Processes of care
  - Outcomes and biomarkers (surrogates) for outcomes
  - Patient experience
- Competition and choice
- Risk adjustment
- Risk sharing (e.g., partial accountability like shared savings, reinsurance, risk corridors)

Benefit Reform: Engaging Patients and Caregivers

- Reforming benefits from volume focus to value focus
  - Private health plans
  - Medicare Part D
- Examples: benefit design changes to complement payment changes
  - Alongside ACO or medical home: Lower beneficiary premium and/or copays, other incentives and awards for engaging with and using accountable care providers
  - Alongside bundled payment reform: Tiered benefit (high-value providers on lower tier) or no additional financial support for more expensive providers (reference pricing)
  - Requires accompanying quality/performance measures
### Challenges for Payment Reform and Quality Improvement

- Business case and aligned incentives for providers and payers
  - Addressing interactions among reinforcing payment reforms
- Practical, implementable alternatives to activity-based payment systems
  - Clear transitions to case- or person-based payment systems
  - Widely accepted benchmark methods for performance and shared-savings calculations
- Data and infrastructure to support quality improvement
- Quality improvement systems to assure confidence in quality measures
- Better evidence and learning from experience
- Adequate financial support for taking on high-risk patients
- Deterrence of anticompetitive behavior