

Quality Improvement and Payment Reform

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Topics

- **Recent Results: Quality vs Value**
- **Next Steps for Payment Reform**

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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**

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Real Health Care Reform: Higher-Value Health Care

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**
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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

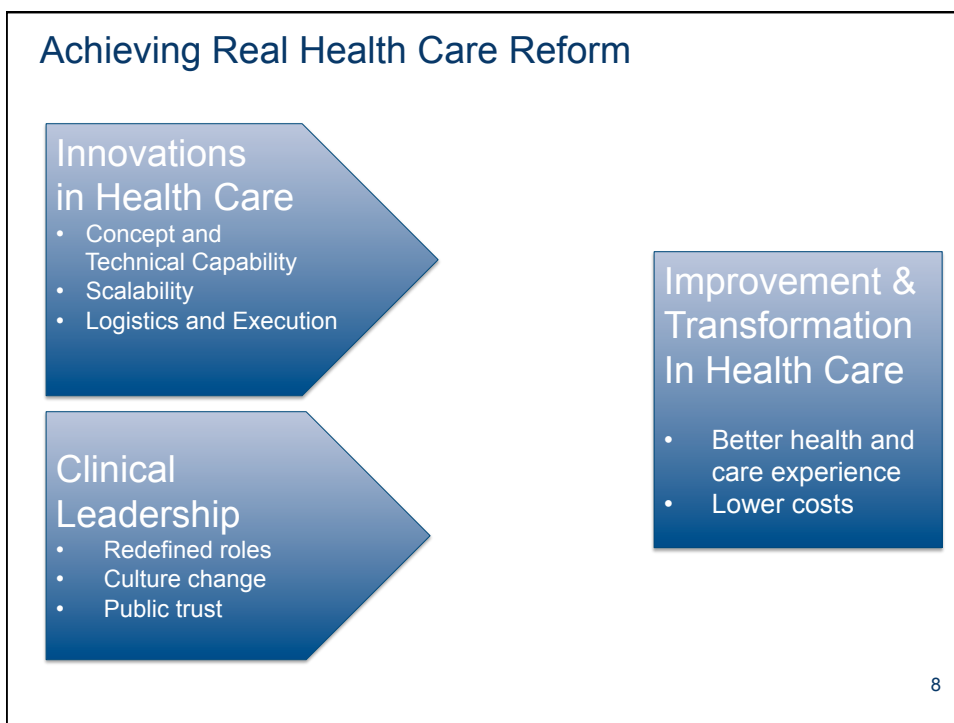
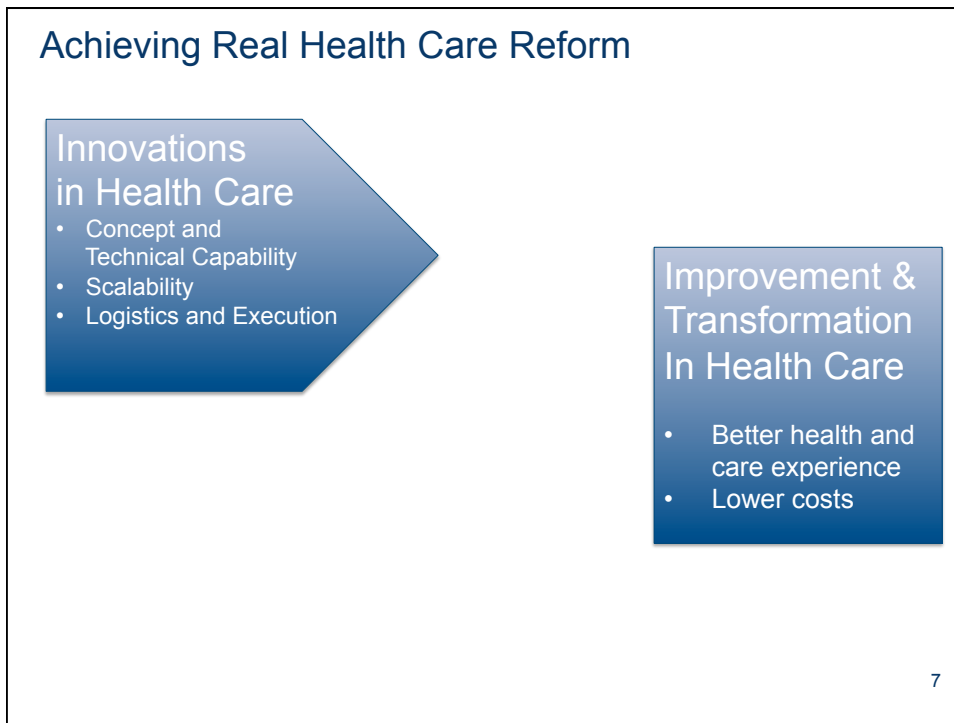
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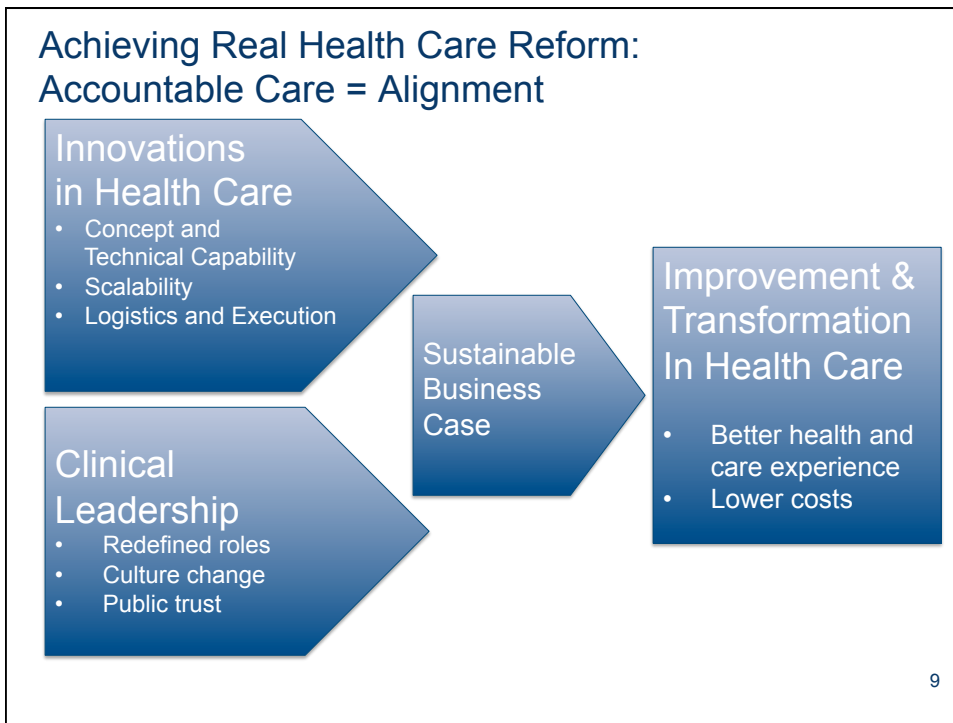
Achieving Real Health Care Reform:

Improvement & Transformation In Health Care

- Better health and care experience
- Lower costs

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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

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MSSP and Pioneer ACO First-Year Results: Financial

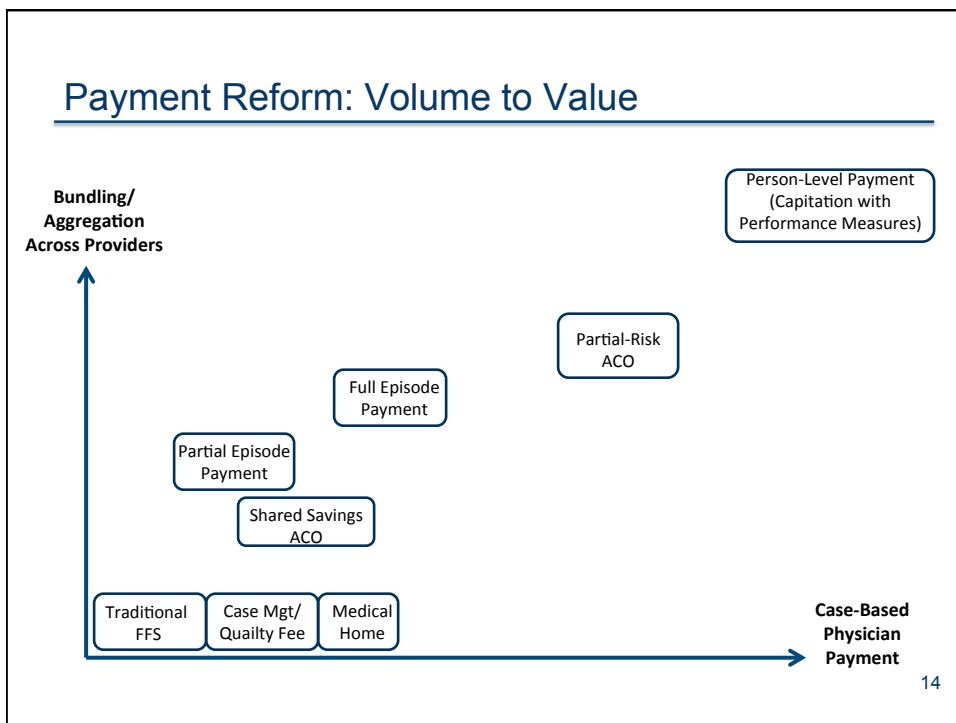
- MSSP: Medicare spending growth benchmark 0.8%
 - 54/114 MSSP ACOs had lower spending than benchmarks, and 29 reduced spending growth enough to share in savings
 - 21 of 29 successful MSSP ACOs were physician-led
 - Two MSSPs had shared losses
 - Total shared savings to MSSP ACOs of \$126 million; \$128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

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CMS Innovations Portfolio: Testing New Models to Improve Quality

<p>Accountable Care Organizations (ACOs)</p> <ul style="list-style-type: none"> • Medicare Shared Savings Program (Center for Medicare) • Pioneer ACO Model • Advance Payment ACO Model • Comprehensive ERSD Care Initiative <p>Primary Care Transformation</p> <ul style="list-style-type: none"> • 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 <p>Bundled Payment for Care Improvement</p> <ul style="list-style-type: none"> • Model 1: Retrospective Acute Care • Model 2: Retrospective Acute Care Episode & Post Acute • Model 3: Retrospective Post Acute Care • Model 4: Prospective Acute Care 	<p>Capacity to Spread Innovation</p> <ul style="list-style-type: none"> • Partnership for Patients • Community-Based Care Transitions • Million Hearts <p>Health Care Innovation Awards</p> <p>State Innovation Models Initiative</p> <p>Initiatives Focused on the Medicaid Population</p> <ul style="list-style-type: none"> • Medicaid Emergency Psychiatric Demonstration • Medicaid Incentives for Prevention of Chronic Diseases • Strong Start Initiative <p>Medicare-Medicaid Enrollees</p> <ul style="list-style-type: none"> • Financial Alignment Initiative • Initiative to Reduce Avoidable Hospitalizations of Nursing Facility Residents
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Source: Patrick Conway, CMS



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)

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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

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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)

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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**

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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

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