



Advising the Congress on Medicare issues

Update on Medicare's ability to innovate on payment and delivery system reforms

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Roadmap

- Overview of new innovation authorities
- Review innovation models being tested
- Describe innovation models in states
- Seek Commissioners' guidance on models and process issues to monitor

Commission report and changes in law enacted in 2010

- 2010 report on Medicare demonstrations
 - Deficits in funding, flexibility, accountability
- Major changes made by PPACA
 - Center for Medicare and Medicaid Innovation
 - Significant increases in funding and flexibility
 - Allow expansion of models without Congressional action, contingent on cost and quality findings
 - Biannual reports to Congress

Issues for continued scrutiny

- Transparency and accountability:
 - Evaluations of cost and quality impacts
 - Process for input from external stakeholders
 - Process for Secretary's decisions to expand models
- Critical trade-offs between transparency, accountability, and speed of diffusion

CMMI testing models in seven categories

- Accountable care
- Bundled payments for care improvement
- Primary care transformation
- Initiatives focused on the Medicaid and CHIP population
- Initiatives focused on Medicare-Medicaid enrollees
- Initiatives to speed the adoption of best practices
- **Initiatives to accelerate the development and testing of new payment and service delivery models**

CMS funding two types of awards to accelerate development and testing

- Innovation awards
 - Provides up to \$2 billion to health systems, provider groups, health services researchers
 - Round 1: 107 awards, ranging from \$1-\$30 million
 - Round 2: Applications being accepted
- State model awards
 - Awarded to states to help fund multi-payer payment reform and other state-led initiatives
 - Six states have been awarded funds to implement models (\$300 million total)

Topics of interest in state models being implemented

- Episode-based payment
- Care coordination
- Patient engagement
- Expanding primary care
- Disparities

Episode-based payment

- Arkansas has implemented an episode-based payment model
 - Conditions include: Upper Respiratory Infections, Perinatal, ADHD, Congestive Heart Failure, Total Joint Replacement, Cholecystectomy, Colonoscopy, and Tonsillectomy
 - Provider designated as the Principal Accountable Provider (PAP)
 - Each PAPs average cost per episode will be calculated and compared to acceptable levels of costs
 - PAPs are eligible to share in savings
 - Payers participating: Medicaid, private payers

Care coordination

- Oregon has created Coordinated Care Organizations (CCOs):
 - Focus on the coordination of physical, behavioral, and oral health care
 - Differ from ACOs in that they are full risk-bearing entities, model emphasizes community role
 - Operate within global budget, have ability to institute payment and delivery reforms
 - Over time, payment to CCOs based primarily on performance incentives, not capitation

Patient engagement

- Maine model will provide shared decision-making training and tools
 - Goal of incorporating SDM into the practice workflow for primary care providers
- Vermont model launching public engagement campaign
 - Marketing campaign which promotes preventive services, information about medical services and testing, and shared decision making
 - Creating web portal to provide personalized educational materials, community resources, social supports

Expanding primary care

- Massachusetts model will expand the role of primary care
 - Primary care providers receive risk-adjusted capitated payment for services, including behavioral health
 - Primary care providers may share in the savings on non primary care services, including hospital and specialist services
 - Providers coordinate care across settings and connect and manage relationships with other providers

Disparities

- Minnesota is creating 15 Accountable Communities for Health (ACH):
 - Accountable for population health and aim to reduce disparities
 - Integrate medical care with behavioral health, mental health, public health, long-term care, social services
 - Will monitor population health measures
 - Goal is to reduce silo-based care

For commissioner discussion:

- Guidance on specific models staff should monitor and report on
- Guidance on coordination of multiple initiatives
- Input on ensuring transparency in evaluations and expansion decisions