

# Cleveland Academy of Osteopathic Medicine

49<sup>th</sup> Annual Seminar  
January 24-26, 2014



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Solutions at the Intersection of Government and Health Care

*“After a century of striving,  
after a year of debate,  
after a historic vote, health care reform  
is no longer an unmet promise...  
It is the law of the land.”*

-- Barack Obama

## **Centers for Medicare & Medicaid Services (“CMS”)**

- Agency that administers the Medicare, Medicaid, CHIP programs
- Now exploring new health care delivery models and reimbursement mechanisms
- Provides coverage to 100 million people
- 3-part aim:
  - Better health care
  - Better health
  - Lower costs through improvement

# The CMS Innovation Center

The ACA created the **Center for Medicare & Medicaid Innovation (CMMI)**

- Funded at \$10 billion (2011 – 2019) and \$10 billion in 2020.
- Purpose: To test innovative payment and delivery models to reduce costs in federal health care programs while enhancing quality of care.
- HHS Secretary can expand demo projects without Congressional approval.

# Innovation Models: 7 categories

- 1. **Accountable Care Organizations** - Models that incentivize providers to become accountable for a patient population and provide coordinated care.
- 2. **Bundled Payments** -- A Medicare payment to providers that a single, bundled payment for an episode of care making them jointly accountable for the patient's care.

## Innovation Models: 7 Categories

- 3. **Primary Care Transformation** – Medical homes using a team-based approach to care while emphasizing prevention, health IT, and care coordination.
- 4. **Initiatives focused on the Medicaid and CHIP Population** – Administered by the states now.
- 5. **Initiatives Focused on Medicare-Medicaid Enrollees**

## Innovation Categories: 7 Models

- 6. **Initiatives to Spread the Adoption of Best Practices** -- Testing new models for disseminating evidence-based best practices and increasing the speed of adoption.
- 7. **Initiatives to Accelerate the Development and Testing of New Payment and Service Delivery Models** – Partnering with regional and local stakeholders to accelerate testing of new models.

## Recent CMMI Demos

- o Accountable Care Organizations Pioneer
- o Medicare Shared Savings Program
- o Community-based Care Transitions Program
  - o \$500 million (2011-2015)
  - o Rolling admissions
- o Independence at Home
- o Health care Innovation Challenge/Round 1 (\$30 billion)



## Recent CMMI Demos

- Pioneer ACO Model (Last December)
  - Providers move from a shared savings model to population-based payment. Better outcomes, lower costs.
  - Coordinated with private payers, aligning provider incentives.
  - Higher levels of shared savings and risk for Pioneers than MSSP.
- Bundled Payments for Care Improvement initiative (Oct)
  - Under this model, organizations enter into payment arrangements that include financial and performance accountability for episodes of care.
  - Results in higher quality, coordinated care, lower Medicare cost.
  - Summa, Mercy Health, Cleveland Clinic, Akron Area on Aging, and many others participating.



# Ohio is Winning

## Community-Based Care Transitions Program

- Akron/Canton Area Agency on Aging & 10 hospitals
- Southwest OH Care Transitions Collaborative (Cincinnati, KY, IN)

## Healthcare Innovation Awards (Round 1)

- \$12.7 million to University Hospitals Rainbow Babies & Children to implement a pediatric ACO for children with complex chronic conditions
- \$13.1 million to The Research Institute at Nationwide Children's Hospital to implement a medical home model to high risk pediatric population

# HealthCare Innovation Challenge

The Health Care Innovation Challenge awards \$1 billion in grants (in each round) to organizations implementing the most compelling new ideas to deliver better health, improved care and lower costs to people enrolled in Medicare, Medicaid and CHIP, particularly those with the highest health care needs.

- Awards of \$1-\$30 million for 3 years
- Winners were announced in May 2012.
- Round 2 Winners will be announced this Spring.
- Round 3 Upcoming...

## **UH Rainbow Babies & Children Hospital \$12.7 million award**

- Goal – Improve care for 65,000 Medicaid children with high rates of ER visits and complex chronic conditions in NE Ohio
- New model, a pediatric ACO, to provide care coordination through tele-health services and incentives to PCPs who reach quality targets.
- Projected 3-year savings: \$13.5 million

## **Welvie LLC and Anthem BCBS \$6.7 million award**

- Goal: Help patients make better-informed decisions about elective surgery through peer counseling, decision support and health IT.
- Reduce inappropriate surgeries and improve surgical outcomes for Medicare beneficiaries.
- Projected 3-year savings of \$20.3 million.

# HealthCare Innovation Challenge Round 2

- Submissions were due Aug. 15, 2013
- Focus this time was not just on innovative service delivery models but “innovative payment models” that improve outcomes *and* reduce costs to Medicare, Medicaid and CHIP.
- Winners released on January 24, 2014 (may be delayed).

# Comprehensive Primary Care Initiative

- Multi-payer initiative between public and private payers to strengthen primary care
- Medicare gives bonus payments to PCPs who better coordinate care for patients
- 497 participating sites/2,237 providers/315,000 Medicare beneficiaries

# Ohio and the Primary Care Initiative

- Ohio and Kentucky: Cincinnati-Dayton region
- 75 primary care practices/ 276 providers/10 payers
- 44,486 Medicare beneficiaries
- Aetna/Anthem BCBS of Ohio/Medical Mutual/Ohio Medicaid



## **FQHC Advanced Primary Care Practice Demonstration (3-year)**

- Goal: Show how the medical home model can improve quality of care, promote better health and lower costs
- 474 participants and 195,000 Medicare patients
- FQHCs with medical home recognition help patients manage chronic conditions and coordinate care.
- FQHCs are paid a monthly care management fee

## Graduate Nurse Education Demo

- 5 participants -- Duke University Hospital, Hospital of the University of PA, Memorial Hermann-Texas Medical Center, Rush University Medical Center, Scottsdale Healthcare Medical Center
- Goal: Increase the provision of qualified training to APRN students giving them clinical skills to provide primary care to Medicare beneficiaries
- CMS provides reimbursement to the hospitals for the cost of training the APRN students.

## **Independence at Home (3-year)**

- 15 participants (Cleveland Clinic Home Care Services)
- Goal: Test the effectiveness of delivering primary care services at home and if doing so improves care for Medicare patients with multiple chronic conditions.
- Practices that succeed in meeting quality measures while generating savings receive CMS incentive payments.

# Ohio is Following CMS

- Partnership with CMS to integrate benefits provided to 182,000 “dual-eligibles”
- Nursing Facility Payments – now Medicaid pays on a price-based system vs cost-based system and linked payments to quality outcomes

## Ohio Initiatives

- Health homes for those with “severe and persistent mental illness” on Medicaid
- Improve Medicaid Managed Care Performance – Linked health plan payments to performance
- Patient Centered Medical Home Pilot Project at 46 sites

## **Trends: What Does this Mean?**

- More and more demos will be released to promote primary care
- More demos to promote innovative health care delivery models (medical home, ACOs)
- More demos released to promote innovative payment models (value based, bundled payments)

## Trends:

- More risk-based payments where providers share in risk and are awarded for performance
- More health IT and incentives/penalties for EHRs
- Focus on “coordinated” care provided by a multidisciplinary team vs. episodic care
- More APRNs and PAs providing primary care with expanded scope of practice

# Implications for the Healthcare Market:

- The models adopted by individual health care systems nationwide become the models for nationwide reform and health care delivery
- The states partner with CMS to implement new models and contain costs
- The states on their own move to medical home model of care.



## **Beyond the Funding: Today's Impact of The Affordable Care Act**

- Clinics are rising as an alternative to hospitals for non-emergency care:
  - Clinics do a better job at educating patients on lifestyle choices that reduce hospital admissions.
- Even with all the efforts, about 30 million people will remain uninsured by 2022.
  - Undocumented People
  - Those who fall between Medicaid and exchange subsidies
  - Free Clinics will play a vital role in care for this population

# Primary Care Medical Homes

- Decreases the cost of care
- Reduces the use of unnecessary services
- Improves population health
- Greater use of preventative services.
- Greater access to care
- Higher patient satisfaction
- Strengthen Accountable Care Organizations
- CMS is using this in reimbursement models.

# Medicaid Surpluses will be eliminated

- Medicaid Payments to Disproportionate Share Hospitals (DSH) will be cut by \$1.1 billion over the next 2 fiscal years.
- States Refusing Medicaid Expansion Funding will be hit the hardest. T
  - This will result in less uncompensated care and costs shifted to those with private insurance.
- Failure to expand Medicaid combined with DSH reductions could cause an increase of over \$53 billion in uncompensated care by 2020.

**THANK  
YOU**



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