Delivery System Reform, Alternative Payment Models, and Rural

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Discussion Areas

• What is the Department of Health and Human Services' (DHHS’) Delivery System Reform (DSR) initiative?
• What are some key Alternative Payment Models?
• What initiatives that are already underway link Medicare FFS payments to value?
• What are some key rural issues, and how can rural providers provide input?
A Transitioning Landscape

Volume
- Fee-for-Service

Emerging Tools ("Delivery System Reform")
- ACOs; Bundled Payments; HVBP; VBM; HAC Penalty; Readmissions Penalty; PCMH

Value
- ?

• Rural Relevance …
Three Focus Areas of the Delivery System Reform (DSR) Initiative

Improving the way providers are paid, the way care is delivered, and the way information is distributed will get us to better care, smarter spending, and healthier people system-wide.

<table>
<thead>
<tr>
<th>Focus Areas</th>
<th>Description</th>
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<tbody>
<tr>
<td>Incentives</td>
<td>• Promote value-based payment systems</td>
</tr>
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<td>– Increase linkage of Medicaid, Medicare FFS, and other payments to value</td>
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<td>• Bring proven payment models to scale</td>
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<td>Care Delivery</td>
<td>• Encourage the integration and coordination of clinical care services</td>
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<td>• Improve population health</td>
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<td>• Promote patient engagement through shared decision making</td>
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## Goals: Focus Areas

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<th>2018 Goal</th>
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<td>Promote value-based payment systems</td>
<td>30%* of Medicare payments in alternative payment models</td>
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<td>– Increase linkage of Medicaid, Medicare fee-for-service, and other payments to value</td>
<td>85% of remaining FFS Medicare payments linked to quality/value</td>
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<td><strong>Care Delivery</strong></td>
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<td>Integrate and coordinate care</td>
<td>30% of patients in primary care medical homes or physician groups accountable for both cost and quality</td>
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<td>Improve population health</td>
<td>15 states implement comprehensive reform</td>
<td>25 states</td>
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<td>Promote patient engagement in decisions</td>
<td>80% of patients participate in shared-decision making</td>
<td>85%</td>
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<td>Create transparency on cost and quality information</td>
<td>Establish websites for all FFS settings and health plan programs with quality info. and star ratings for consumers</td>
<td>Measure use</td>
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<td>Bring electronic health information to the point of care for meaningful use</td>
<td>Establish metrics on consumer access to out-of-pocket costs data</td>
<td>Measure use</td>
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<td>85% of providers adopt certified EHR</td>
<td>90%</td>
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<td>30% of clinical visits have electronic health info. available when and where needed**</td>
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*Same goal used for testing new models and bringing proven models to scale  
**Exact measure still under discussion
### Focus Area: Incentives

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Alternative Payment Models

• Accountable Care Organizations (ACOs)
  • Medicare Shared Savings Program (MSSP)
  • ACO Investment Model (AIM)
  • Pioneer ACO
  • Next Generation ACO
Examples of Other Alternative Payment Models

- Patient Centered Medical Home (PCMH) Model
- Comprehensive Primary Care (CPC) Initiative
- Medicare-Medicaid Financial Initiative FFS Model
- Bundled Payments for Care Improvement Initiative
Payment Risk Continuum

- High Payer Risk
  - Cost-Based
    - Charge-Based
    - Per Diem
  - Case Rate

- High Provider Risk
  - Capitation
    - Shared Risk
    - Bundled
Linking Medicare FFS Payments to Quality/Value

- Physicians
  - Physician Value-Based Modifier (VBM)
  - Merit-Based Incentive Payment System (MIPS)
Challenging Environment

Moving Beyond Fee for Service
- Reimbursement & the Increasing Link to Quality Outcomes
- Value-Based Purchasing
- Patient-Centered Medical Homes
- Accountable Care Organizations
- And...

Changing Payer Mix Post ACA
- Newly Insured
- DSH Reductions
- Fitting into the Many New Networks
- Role in Ongoing Outreach and Enrollment
- Helping Educate about Insurance Basics

Changing Dynamics of Workforce
- Team-Based Care
- Community-Based Training
- Emergence of New Training Models
- Disconnect with Existing Training Models
- Scope of Practice

Transitional and Volatile Environment
- Mergers & Acquisitions
- Moving to Employed Clinician Model
- Market Segmentation
- Changes and Variability in Federal and State Policy Arenas

Role of Health IT
- EHR Implementation
- Reaching Meaningful Use
- Role of Telehealth

What might this mean for Rural Providers and the people they serve?
Key Rural Issues

• Restricted Resources
  – Workforce
  – Financial
• Low volume, small practice size
• Limited scope of services
• Patient population
We want your input!

We’re asking rural providers to take a thorough look at information available through the links below and provide feedback. Send us your comments at the following address: RuralDSR@hrsa.gov

For more information on what Secretary Burwell has said publicly about this effort, see below.

Secretary Burwell’s Speech at the CMS Quality Net Conference
http://www.hhs.gov/secretary/about/speeches/sp20141202.html

Secretary Burwell’s speech to the American Academy of Family Physicians:
http://www.hhs.gov/secretary/about/speeches/sp20141023.html

Fact Sheet on Delivery System Reform:

Blog from Sec. Burwell: Getting More Out of Every Dollar: Improving Health Delivery In America
Thank you!

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http://www.hrsa.gov/ruralhealth/index.html