

Delivery System Reform, Alternative Payment Models, and Rural

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2015 Flex Program Reverse Site Visit
June 23, 2015
Bethesda, MD

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.

Focus Areas

Description

Incentives

- Promote value-based payment systems
 - Test new alternative payment models
 - Increase linkage of Medicaid, Medicare FFS, and other payments to value
- Bring proven payment models to scale

Care Delivery

- Encourage the integration and coordination of clinical care services
- Improve population health
- Promote patient engagement through shared decision making

Information

- Create transparency on cost and quality information
- Bring electronic health information to the point of care for meaningful use

Goals: Focus Areas



Focus Areas	2016 Goal	2018 Goal
Incentives		
Promote value-based payment systems		
– Test new alternative payment models	30%* of Medicare payments in alternative payment models	50%
– Increase linkage of Medicaid, Medicare fee-for-service, and other payments to value	85% of remaining FFS Medicare payments linked to quality/value	90%
Bring proven payment models to scale*		
Care Delivery		
Integrate and coordinate care	30% of patients in primary care medical homes or physician groups accountable for both cost and quality	50%
Improve population health	15 states implement comprehensive reform	25 states
Promote patient engagement in decisions	80% of patients participate in shared-decision making	85%
Information		
Create transparency on cost and quality information	Establish websites for all FFS settings and health plan programs with quality info. and star ratings for consumers	Measure use
	Establish metrics on consumer access to out-of-pocket costs data	Measure use
Bring electronic health information to the point of care for meaningful use	85% of providers adopt certified EHR	90%
	30% of clinical visits have electronic health info. available when and where needed**	50%

*Same goal used for testing new models and bringing proven models to scale **Exact measure still under discussion

Focus Area: Incentives



	2016 Goal	2018 Goal
Promote value-based payment systems		
–Test new alternative payment models	30%* of Medicare payments in alternative payment models	50%
–Increase linkage of Medicaid, Medicare fee-for-service, and other payments to value	85% of remaining FFS Medicare payments linked to quality/value	90%
Bring proven payment models to scale*		

*Same goal used for testing new models and bringing proven models to scale 6

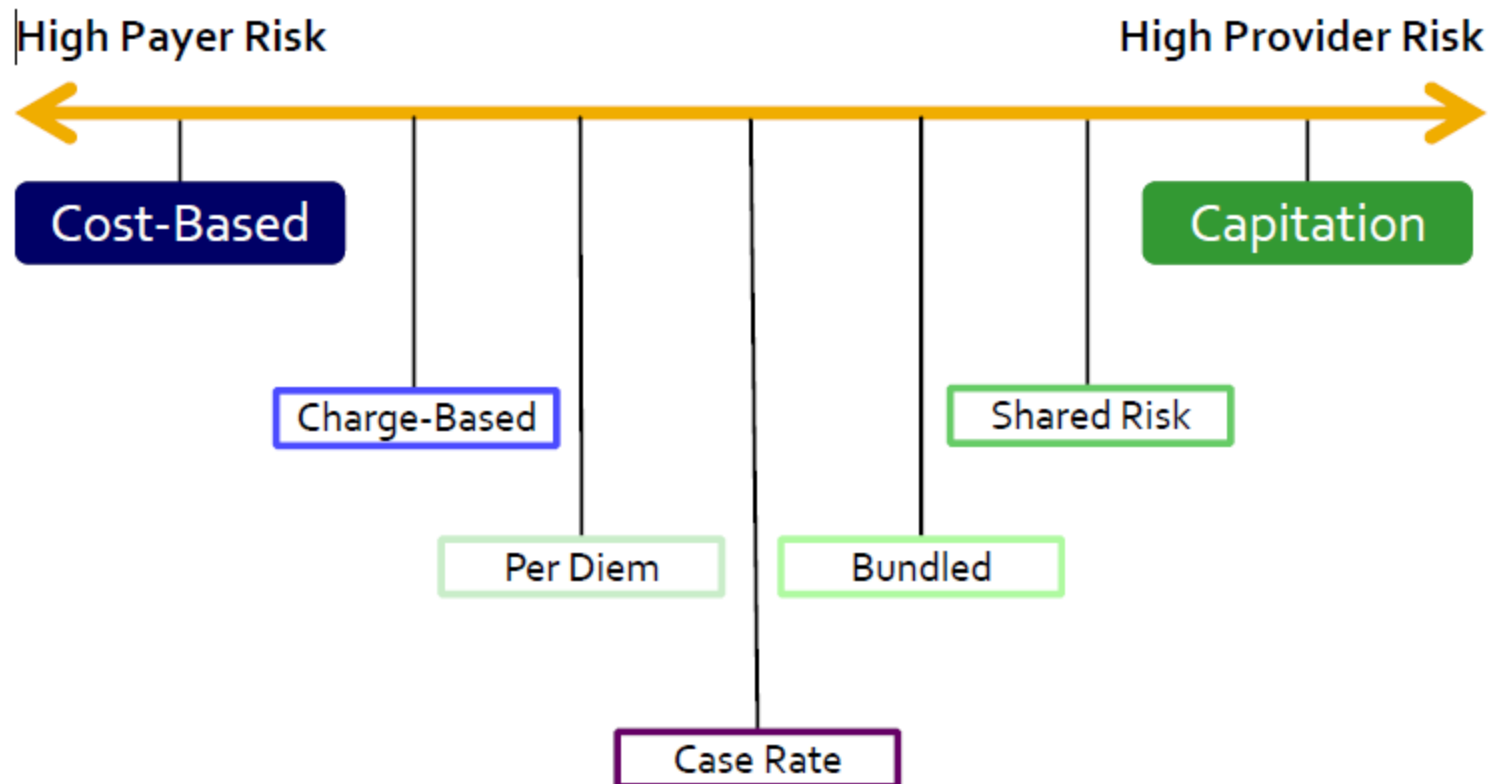
Alternative Payment Models

- 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

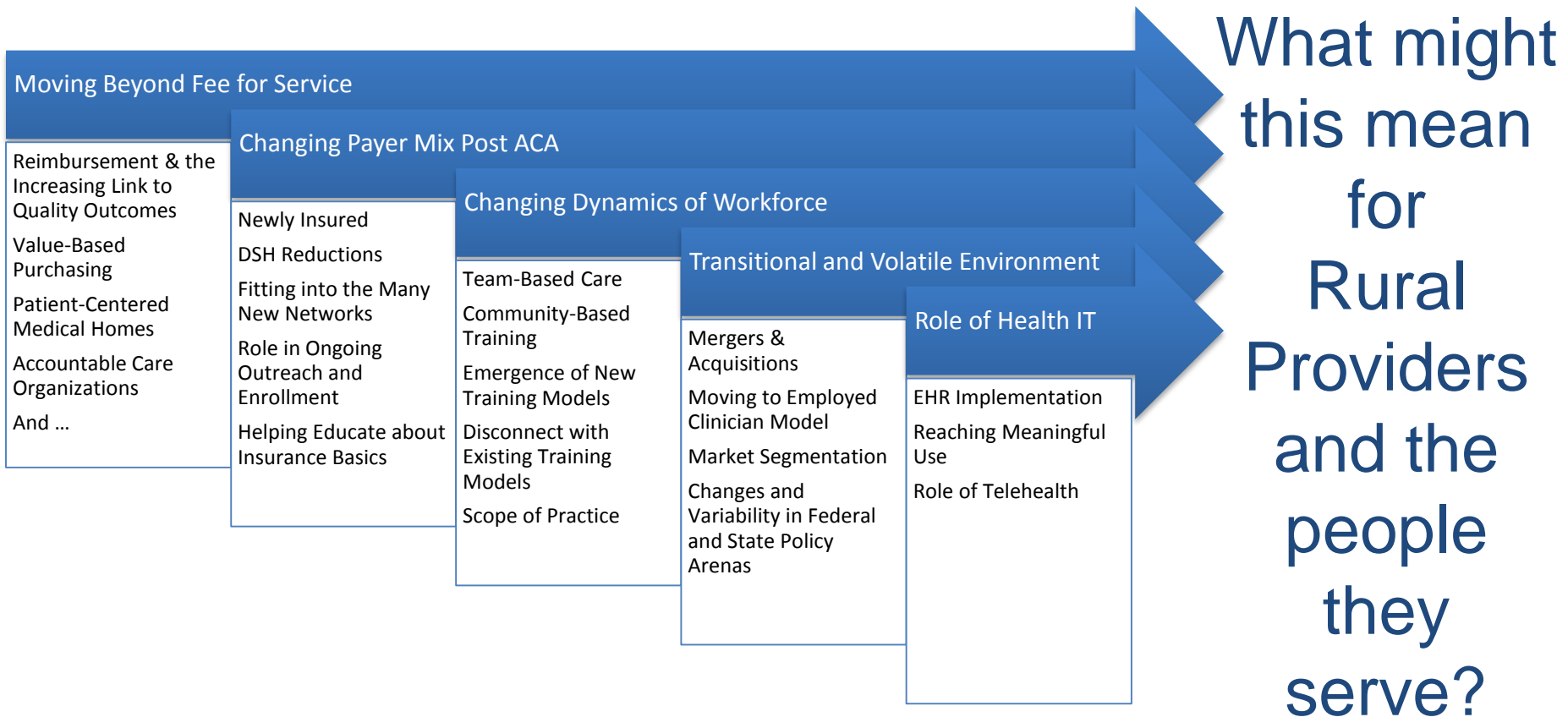
Payment Risk Continuum



Linking Medicare FFS Payments to Quality/Value

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

Challenging Environment



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:

<http://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2014-Fact-sheets-items/2014-09-16-2.html>

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

<http://www.hhs.gov/blog/2014/09/getting-more-out-every-dollar-improving-health-delivery.html>

Thank you!

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