



## Health Care Delivery System Transformation



*Driving Innovation to  
Improve Population Health*

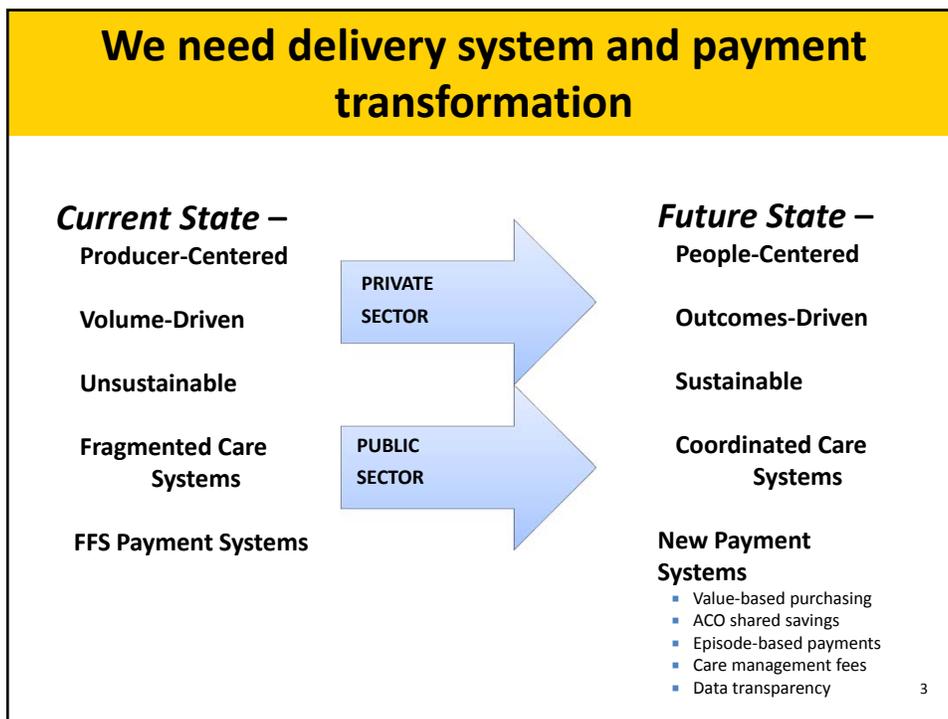
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Date January 16, 2014*

## Thank You

- For working with state governments to accelerate health transformation
- For the care you are providing every day
- For the hard work you are doing to improve your health systems
- For your commitment to health reform, innovation and transformation

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- ## CMS Innovations Portfolio
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| <p><b>Accountable Care Organizations (ACOs)</b></p> <ul style="list-style-type: none"> <li>• Medicare Shared Savings Program (Center for Medicare)</li> <li>• Pioneer ACO Model</li> <li>• Advance Payment ACO Model</li> <li>• Comprehensive ERSD Care Initiative</li> </ul> <p><b>Primary Care Transformation</b></p> <ul style="list-style-type: none"> <li>• Comprehensive Primary Care Initiative (CPC)</li> <li>• Multi-Payer Advanced Primary Care Practice (MAPCP) Demonstration</li> <li>• Federally Qualified Health Center (FQHC) Advanced Primary Care Practice Demonstration</li> <li>• Independence at Home Demonstration</li> <li>• Graduate Nurse Education Demonstration</li> </ul> <p><b>Bundled Payment for Care Improvement</b></p> <ul style="list-style-type: none"> <li>• Model 1: Retrospective Acute Care</li> <li>• Model 2: Retrospective Acute Care Episode &amp; Post Acute</li> <li>• Model 3: Retrospective Post Acute Care</li> <li>• Model 4: Prospective Acute Care</li> </ul> | <p><b>Capacity to Spread Innovation</b></p> <ul style="list-style-type: none"> <li>• Partnership for Patients</li> <li>• Community-Based Care Transitions Program</li> <li>• Million Hearts</li> </ul> <p><b>Health Care Innovation Awards (Rounds 1 &amp; 2)</b></p> <p><b>State Innovation Models Initiative</b></p> <p><b>Initiatives Focused on the Medicaid Population</b></p> <ul style="list-style-type: none"> <li>• Medicaid Emergency Psychiatric Demonstration</li> <li>• Medicaid Incentives for Prevention of Chronic Diseases</li> <li>• Strong Start Initiative</li> </ul> <p><b>Medicare-Medicaid Enrollees</b></p> <ul style="list-style-type: none"> <li>• Financial Alignment Initiative</li> <li>• Initiative to Reduce Avoidable Hospitalizations of Nursing Facility Residents</li> </ul> |
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## Providers are Driving Transformation

- More than 50,000 providers are providing care to beneficiaries as part of the Innovation Center's current initiatives
- Over 300 organizations are participating in Medicare ACOs
- More than 5 million Medicare FFS beneficiaries are receiving care from ACOs
- More than 1 million Medicare FFS beneficiaries are participating in primary care initiatives

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## Our shared goals for the next five years...

- **Better care and lowers costs:**  
*Beneficiaries receive high quality, coordinated, effective, efficient care. As a result, health care costs are reduced.*
- **Improved prevention and population health:**  
*All Americans are healthier and their care is less costly because of improved health status resulting from use of preventive benefits and necessary health services*
- **Expanded health care coverage:**  
*All Americans have access to affordable health insurance options that protect them from financial hardship and ensure quality health care coverage.*

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## Here's how we'll know we were successful...

- Federal and state governments are working with health care providers to accelerate health transformation
- Providers across the state participate in integrated or virtually integrated delivery models;
- Over 80% of payments to providers from all payers are in fee-for-service alternatives that link payment to value;
- Every resident of the state has a primary care provider who is accountable both for the quality and for the total cost of their health care;
- Care is coordinated across all providers and settings;

## Transformed Health Delivery System

- There is a high-level of patient engagement and quantifiable results on patient experience;
- Providers leverage the use of health information technology to improve quality;
- There is an adequate health care workforce to meet state residents' needs;
- Providers perform at the top of their license and board certification;
- Integrated public health and clinical delivery system focused on improving health

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## Transformed Health Delivery System

- Performance in quality and cost measures is consistently high;
- Population health measures are integrated into the delivery system; and
- Data is used to drive health system processes and improvement

## Opportunities and Challenges of a Lifelong Health System

- **Goal of system to optimize health outcomes and lower costs over much longer time horizons**
- **Payers, including Medicare and Medicaid, increasingly responsible for care for longer periods of time**
- **Health trajectories modifiable and compounded over time**
- **Importance of early years of life**

Source: Halfon N, Conway PH. The Opportunities and Challenges of a Lifelong Health System. NEJM 2013 Apr 25; 368, 17: 1569-1571

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## **Financial Instruments and models that might incentivize lifelong health management**

- **Horizontally integrated health, education, and social services that promote health in all policies, places, and daily activities**
- **Consumer incentives (value-based insurance design)**
- **“Warranties” on specific services**
- **Bundled payment for suite of services over longer period**
- **Measuring health outcomes and rewarding plans for improvement in health over time**
- **Community health investments**
- **ACOs could evolve toward community accountable health systems that have a greater stake in long-term population health outcomes**

## **Here’s how CMS is going to help you succeed..**

- **Leveraging federal resources**
  - Collaboration with CDC and others
  - Testing innovative payment and care delivery models
- **Collaborating with national and state organizations**
  - AMA
  - AHA
  - State Medical Societies
  - State Hospital Associations and others
- **Developing state to state learning systems of best practices in health care transformation**

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