



Affordable Care Act and the Healthcare Marketplace



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Objectives

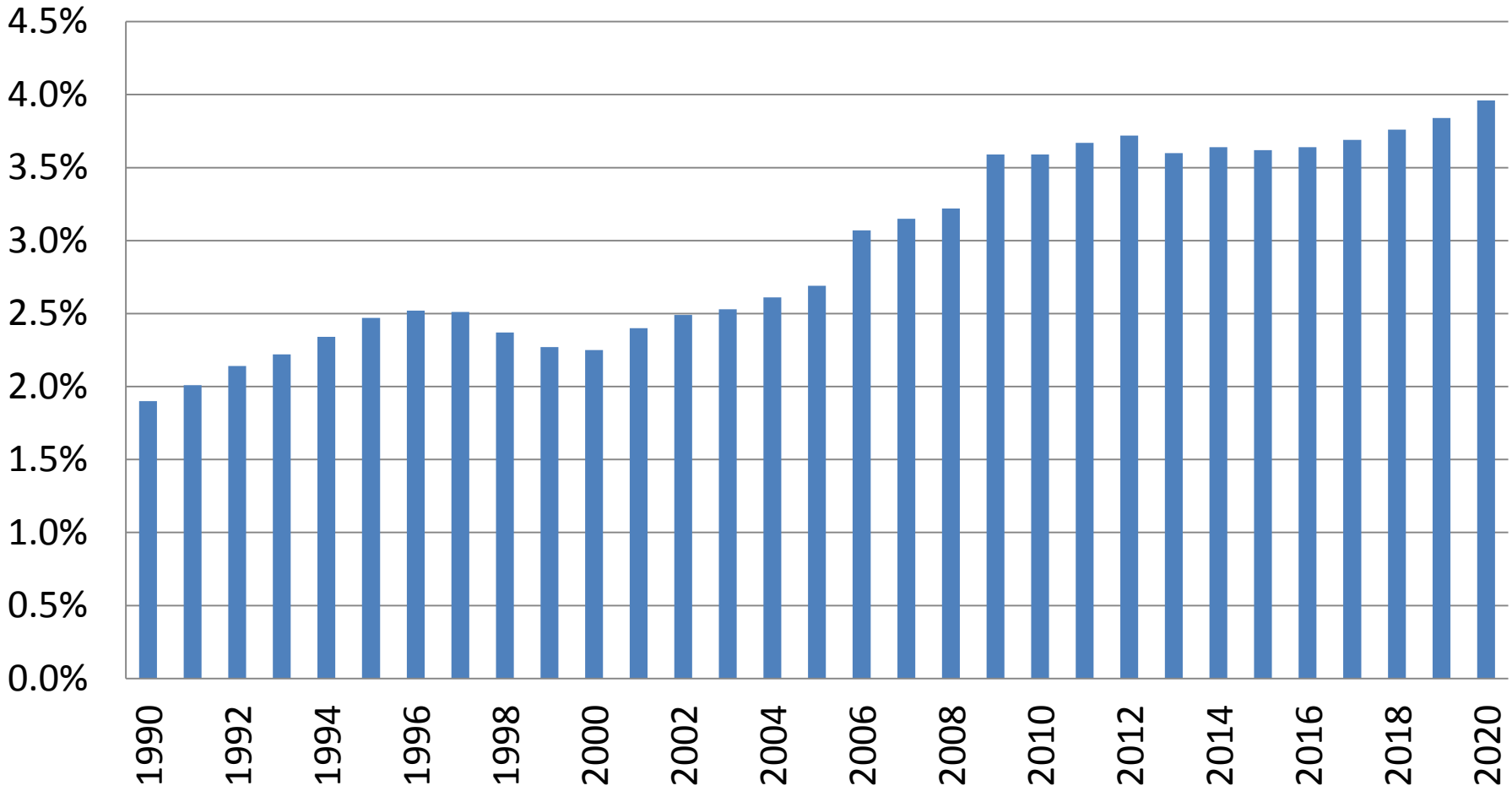
- Describe healthcare challenges as they stand today
- Explain Marketplace and its significance in healthcare
- Discuss paying for value and quality
- Identify innovation models and pharmacy involvement
- Explain accountable care organizations and physician compare website
- List pharmacy specifics and its impact on medication therapy management and pharmacy quality alliance

Background

- Lower Costs, Better Care: Reforming Our Health Care Delivery System
- Shopping for Coverage According to Quality
- Providers are Engaged
- Paying for Value and Quality

Challenge #1: Medicare's Spending Continues to Grow

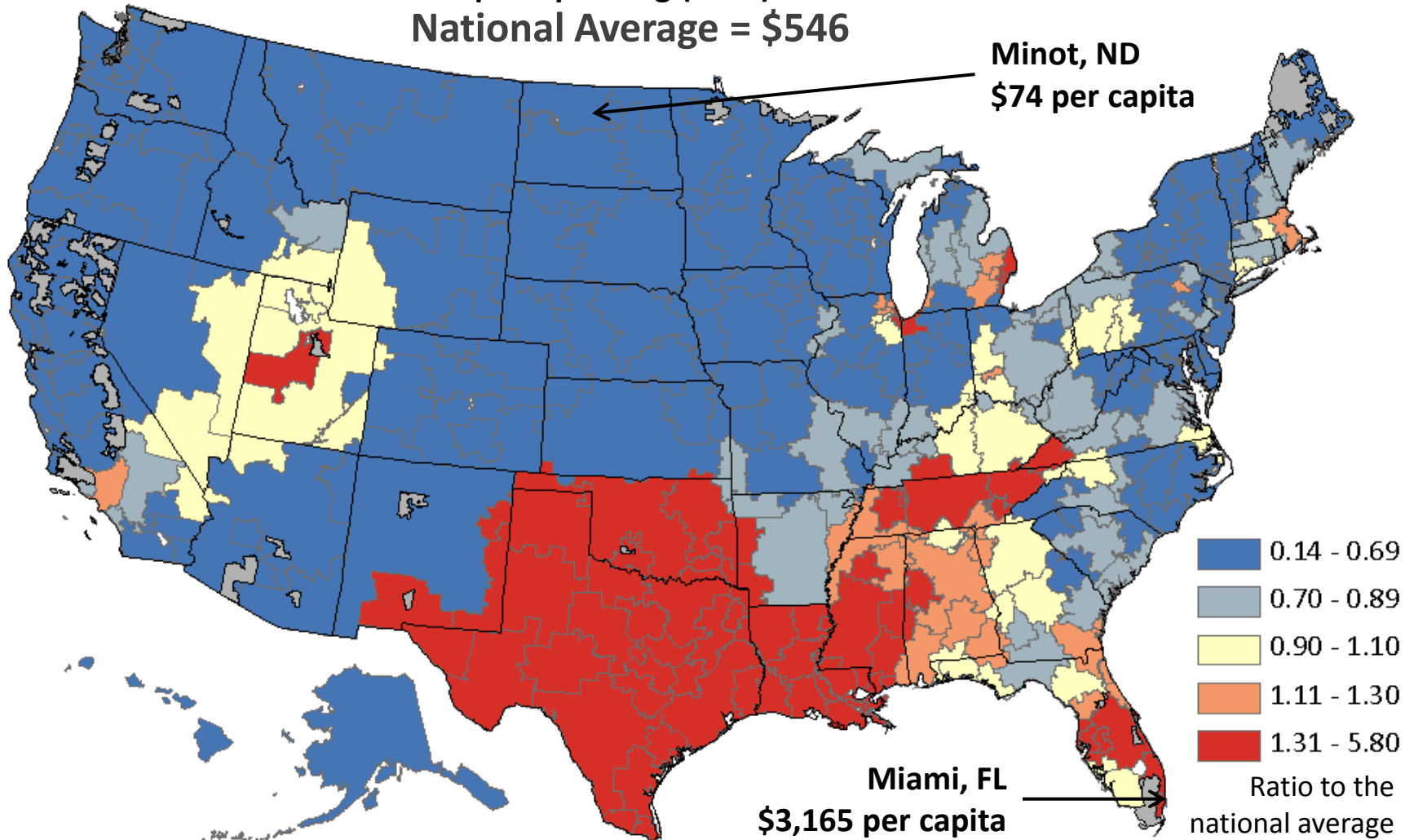
Medicare Spending as Percent of GDP, 1990 - 2020



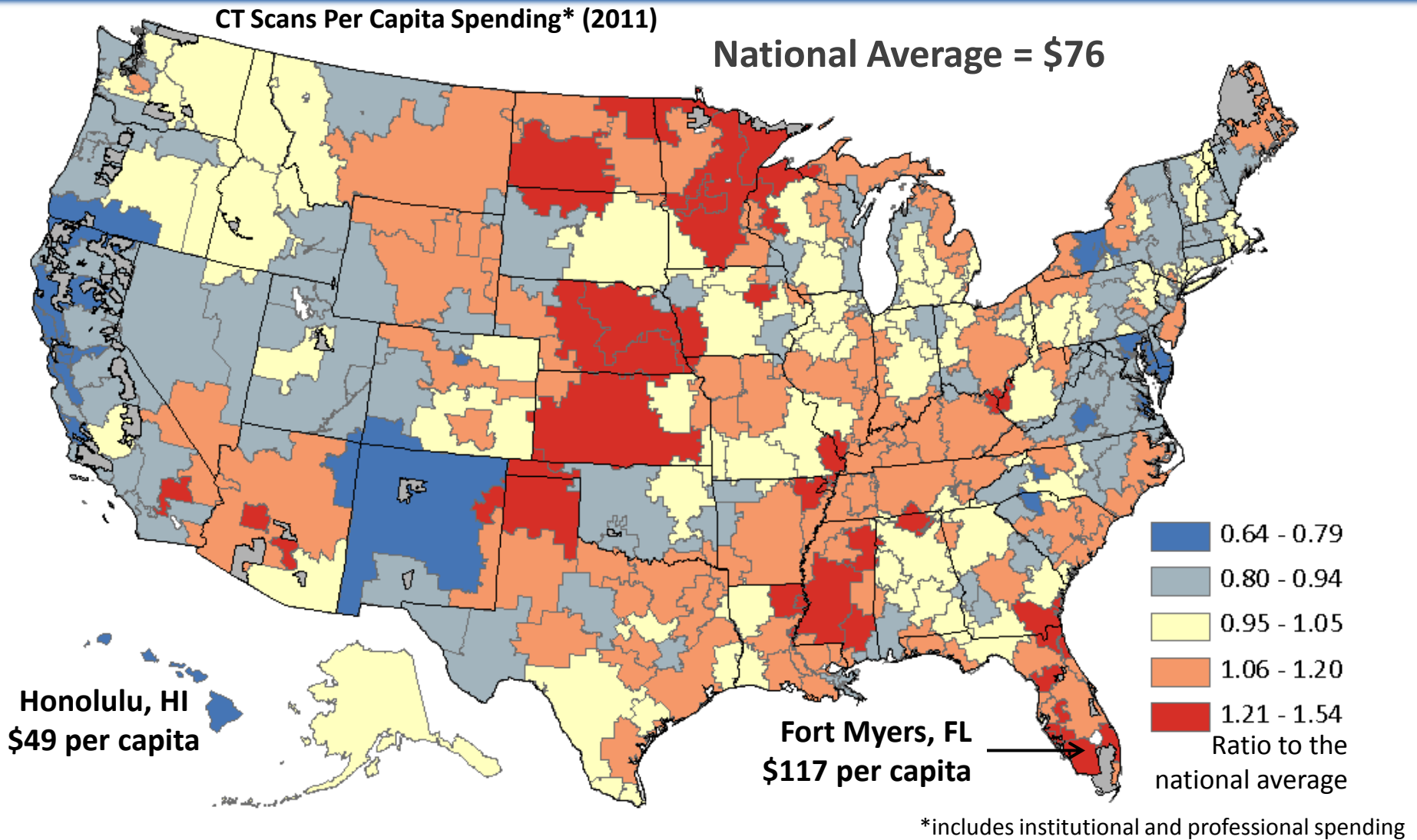
Source: Medicare Trustees Report - 2012

Challenge #2: Wide Variation in Spending Across the Country

Home Health Per Capita Spending (2011)
National Average = \$546

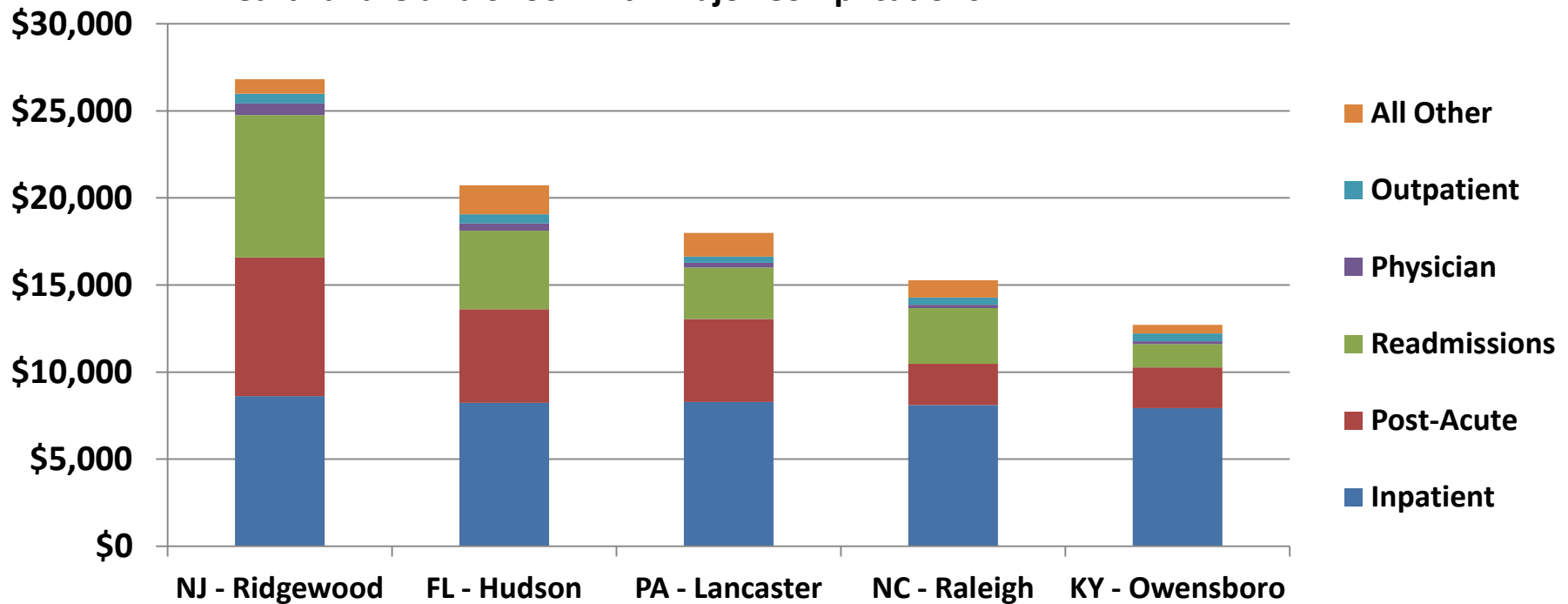


Challenge #2: Wide Variation in Spending Across the Country



Challenge #2: Wide Variation in Spending Across the Country

**Geographic Variation in Spending, MS-DRG 291
Heart Failure and Shock with Major Complications**

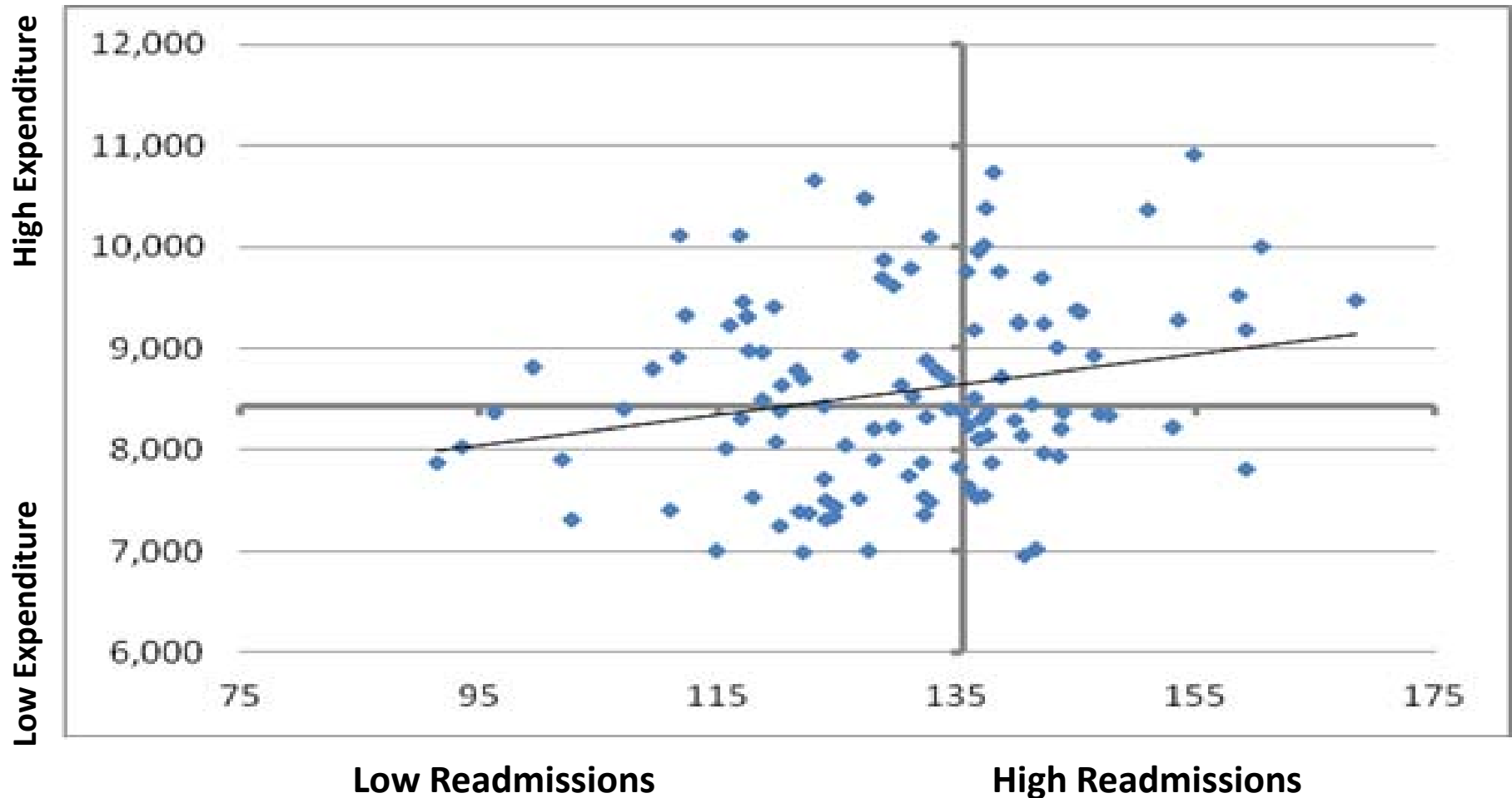


Ratio to Nat'l Avg	1.49	1.15	1.00	0.85	0.71
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Source: CMS Office of Information Products and Data Analysis, Medicare Claims Analysis - 2010

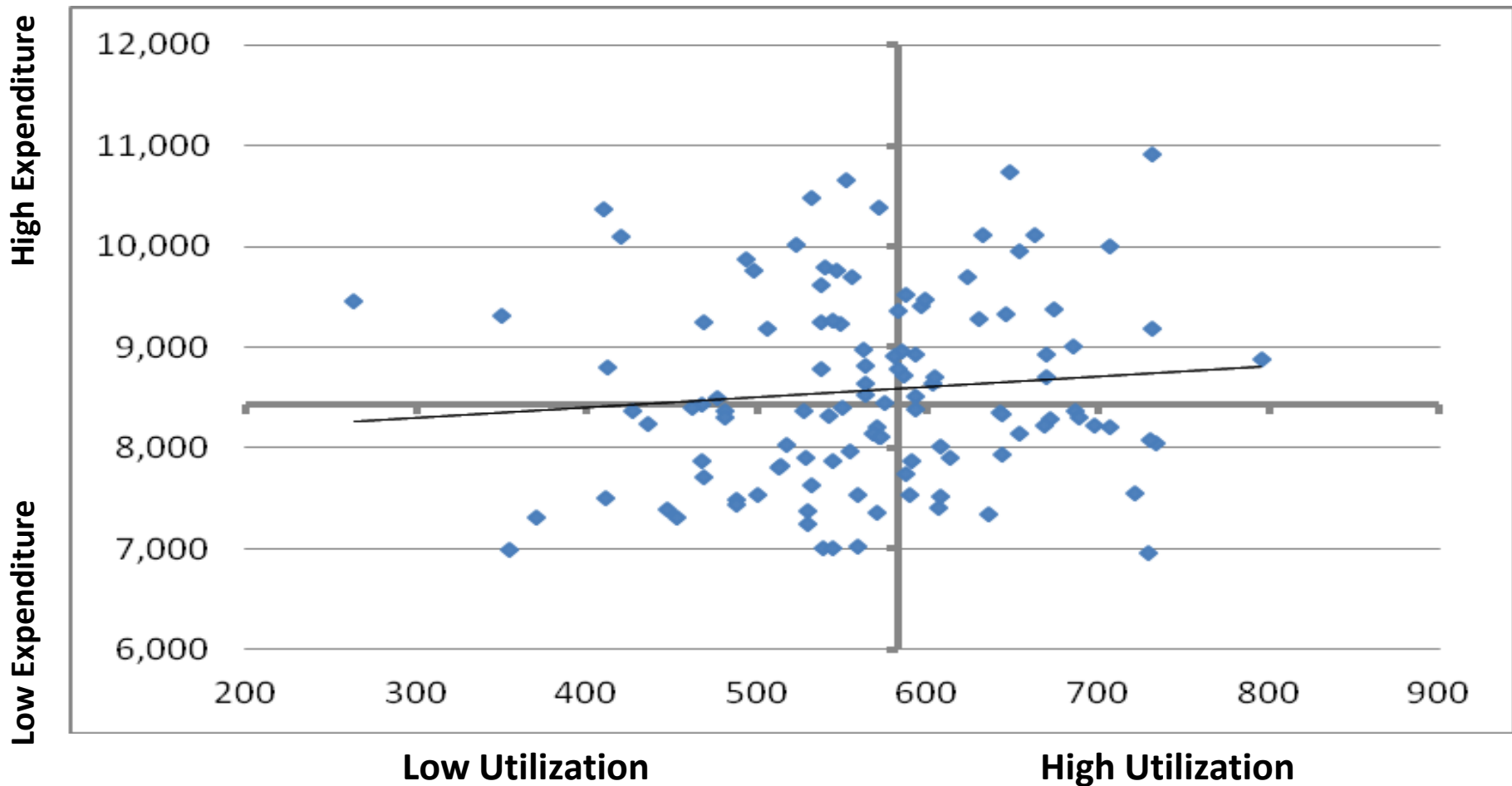
Challenge #3: Little Apparent Relationship Between Cost and Quality

ACO Assigned Beneficiary Per Capita Total Expenditures Against 30-Day All Cause Readmission Rate, 2011, Risk-Adjusted



Challenge #3: Little Apparent Relationship Between Cost and Quality

ACO Assigned Beneficiary Per Capita Total Expenditures Against Computed Tomography (CT) Event Utilization Rate, 2011, Risk Adjusted



Source: CMS Integrated Data Repository, Benchmark Period Aggregate Expenditure/Utilization Trend Reports – 2011

Major Medicare Policy Initiatives

Current Initiatives

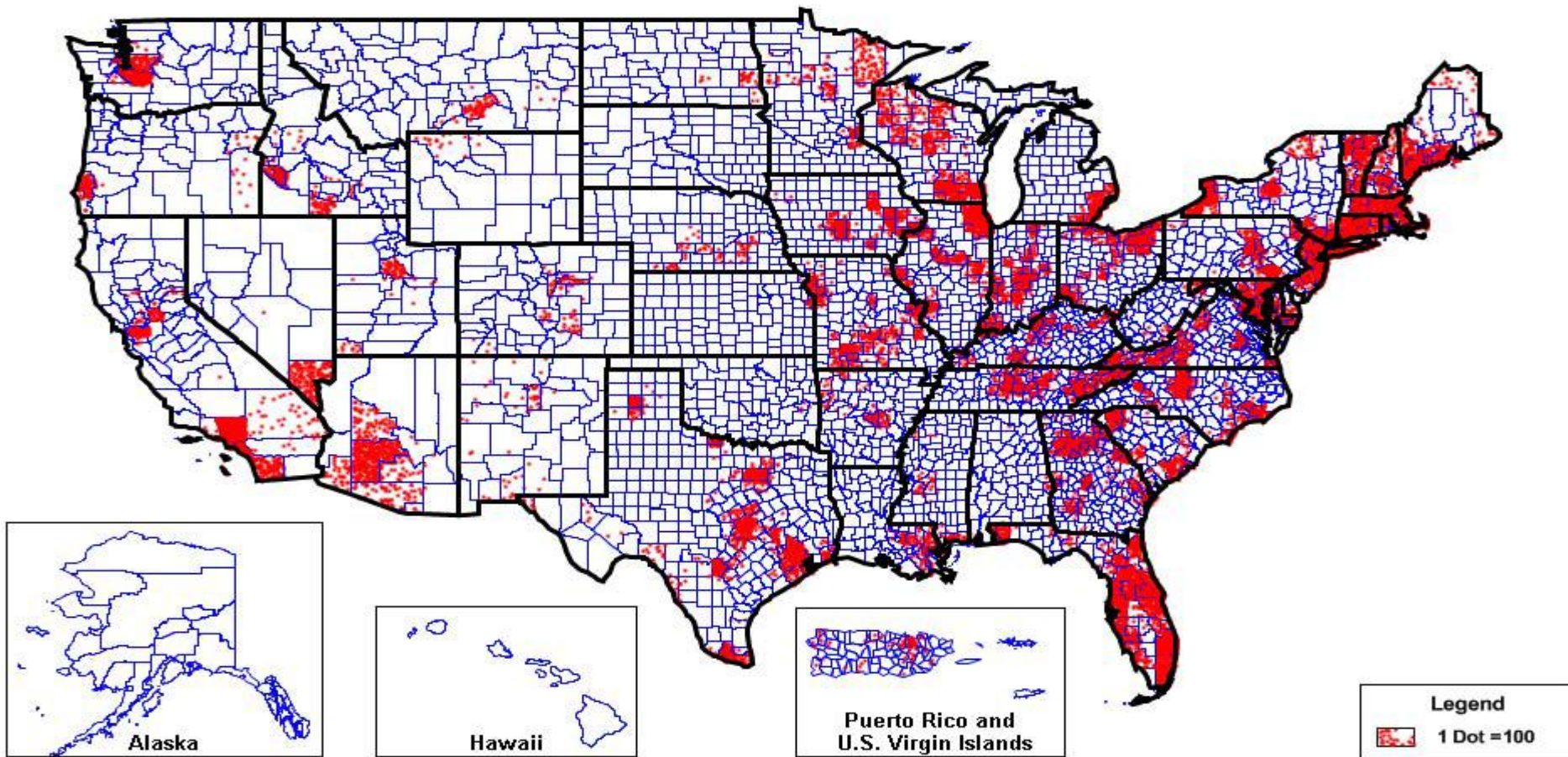
- ACO Program
 - Medicare Shared Savings Program
 - Pioneer ACOs (CMMI)
 - Advance Payment ACOs (CMMI)
- Hospital Value Based Purchasing & Readmissions Penalties
- Medicare Advantage Five-Star Bonus Program
- Comprehensive Primary Care Initiative (CMMI)
- Partnership for Patients (CMMI)

Upcoming Initiatives

- Bundled Payment Initiatives (CMMI)
- Physician Value Modifier

Results: ACO Participation is Growing Rapidly

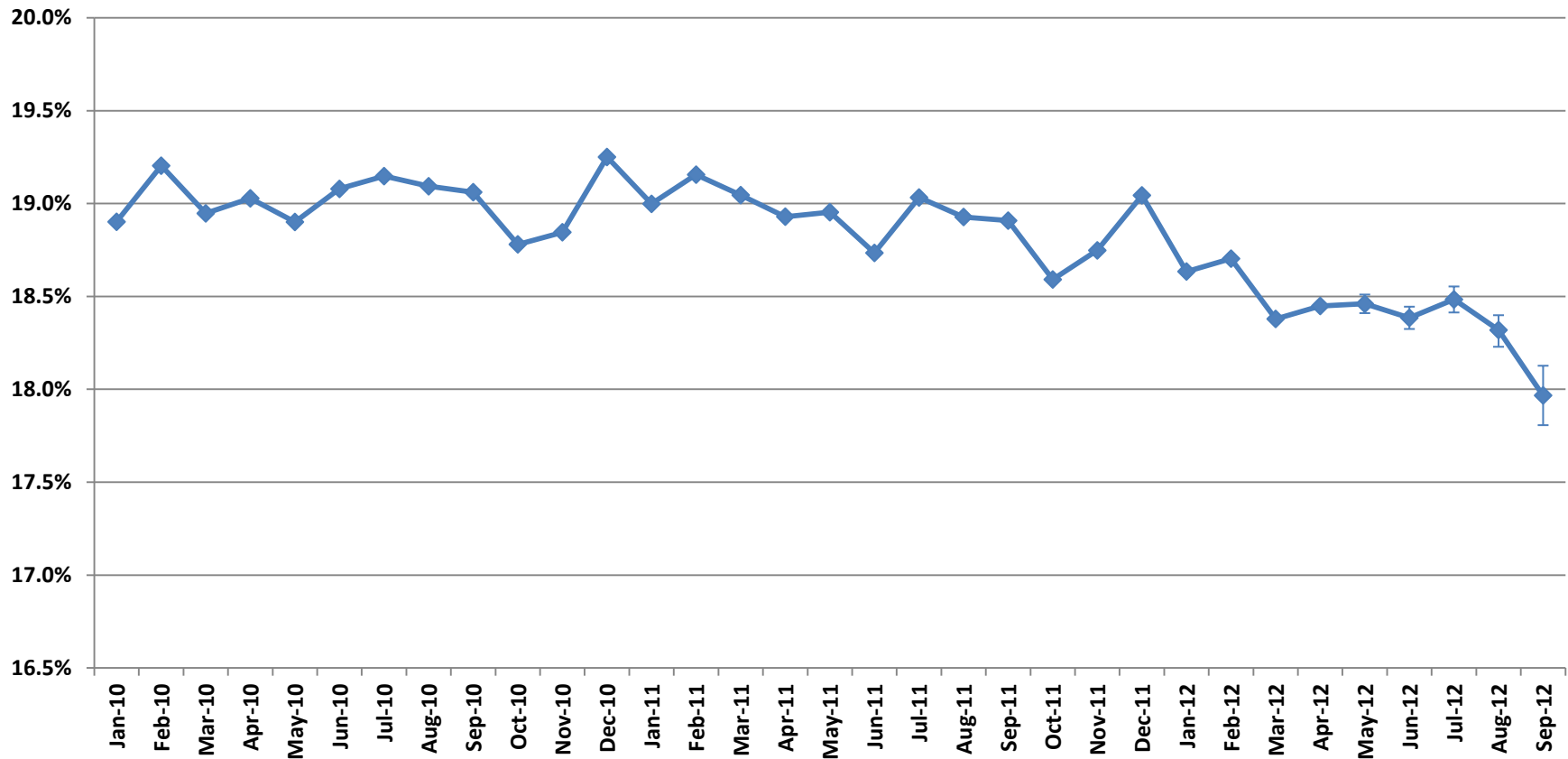
All ACOs Assigned Beneficiaries by County (4.0 million total)



Source: ACO Assignment Summary Reports (2012 for January starts and 2012Q3 for April/July Starts).

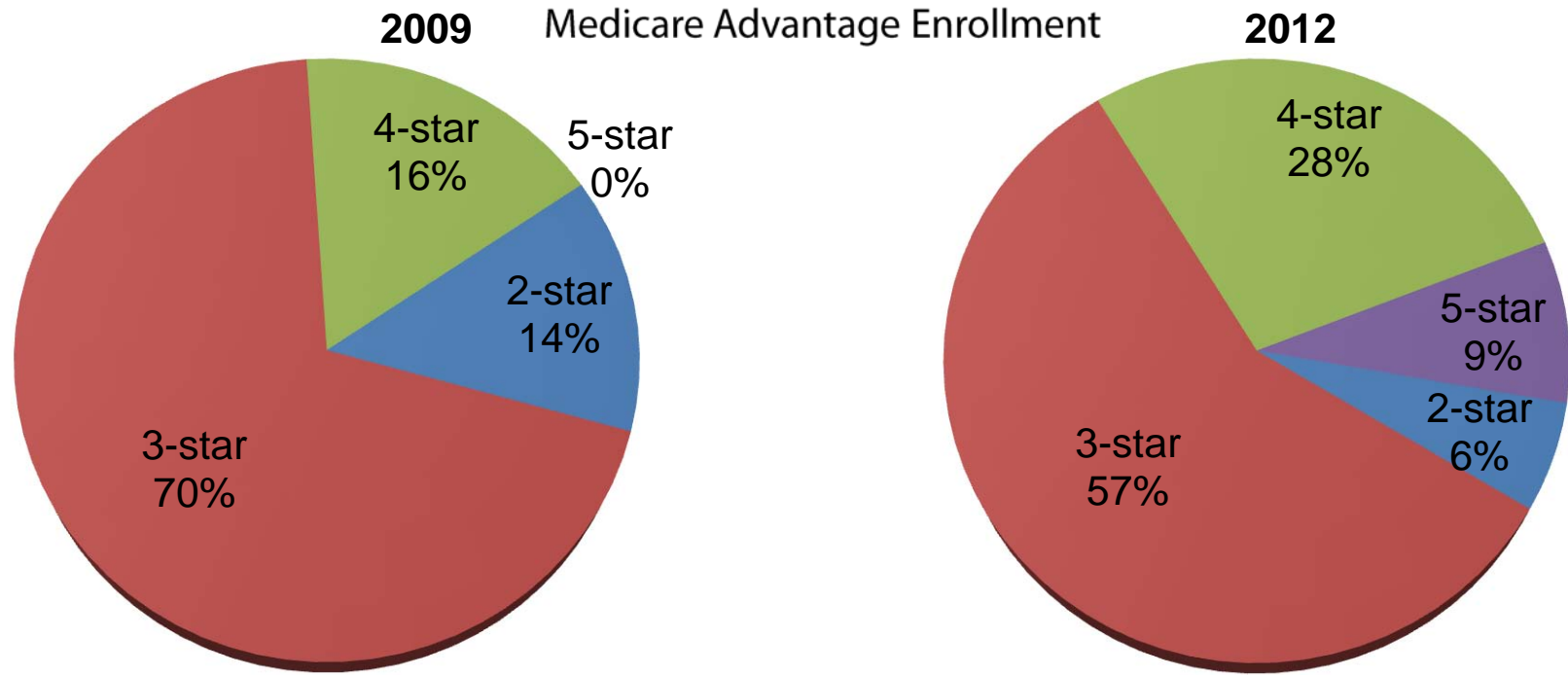
Results: Early Signs of Overall Declines in Hospital Readmissions

Monthly 30-day All-Cause Hospital Readmission Rate, January 2010 – September 2012



Note that point values are given for months where the data are complete. Point estimates and confidence intervals are provided for those months in which the data are not yet completed.

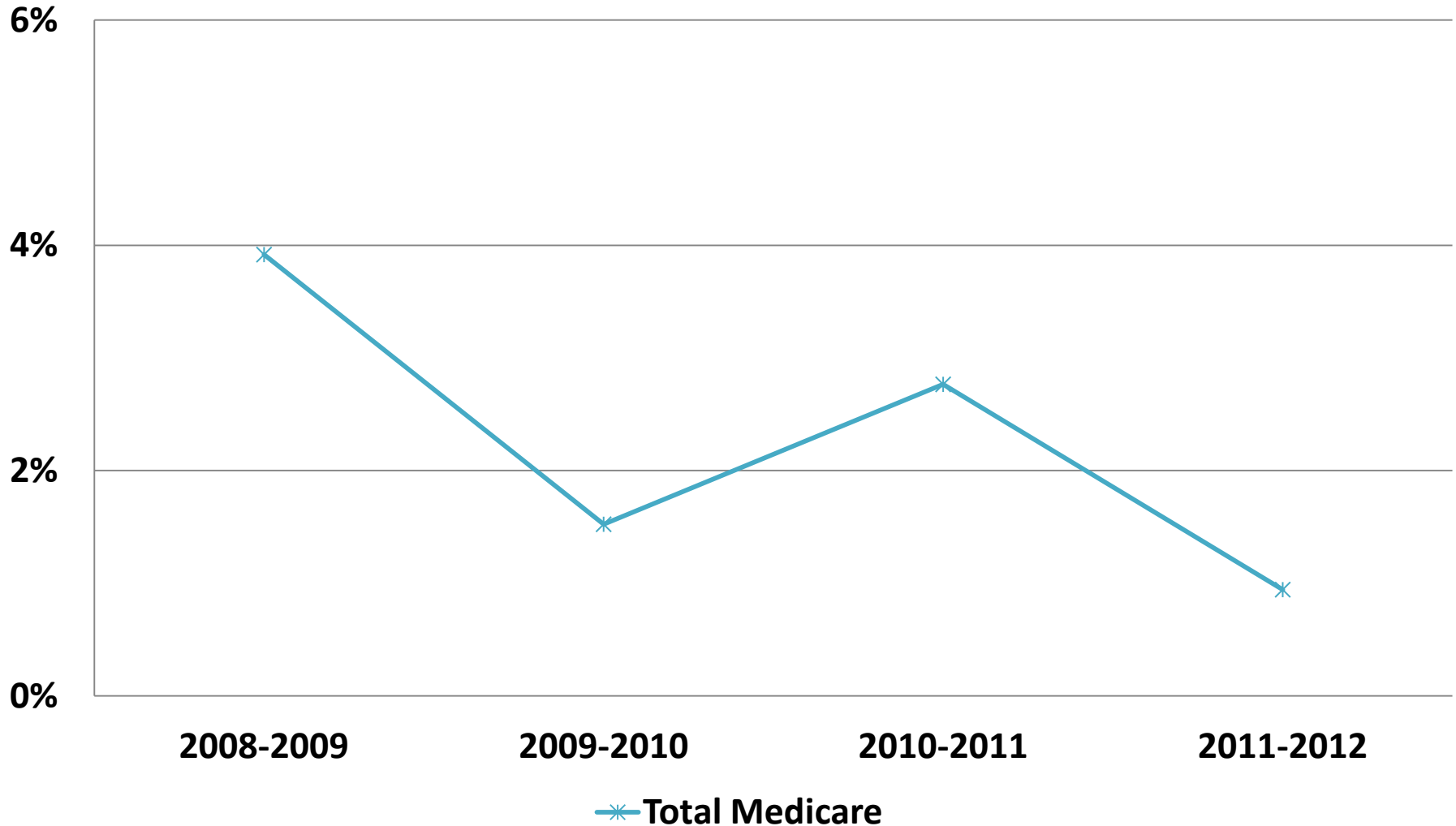
Results: Many More Medicare Advantage Enrollees in 4- and 5-Star Plans



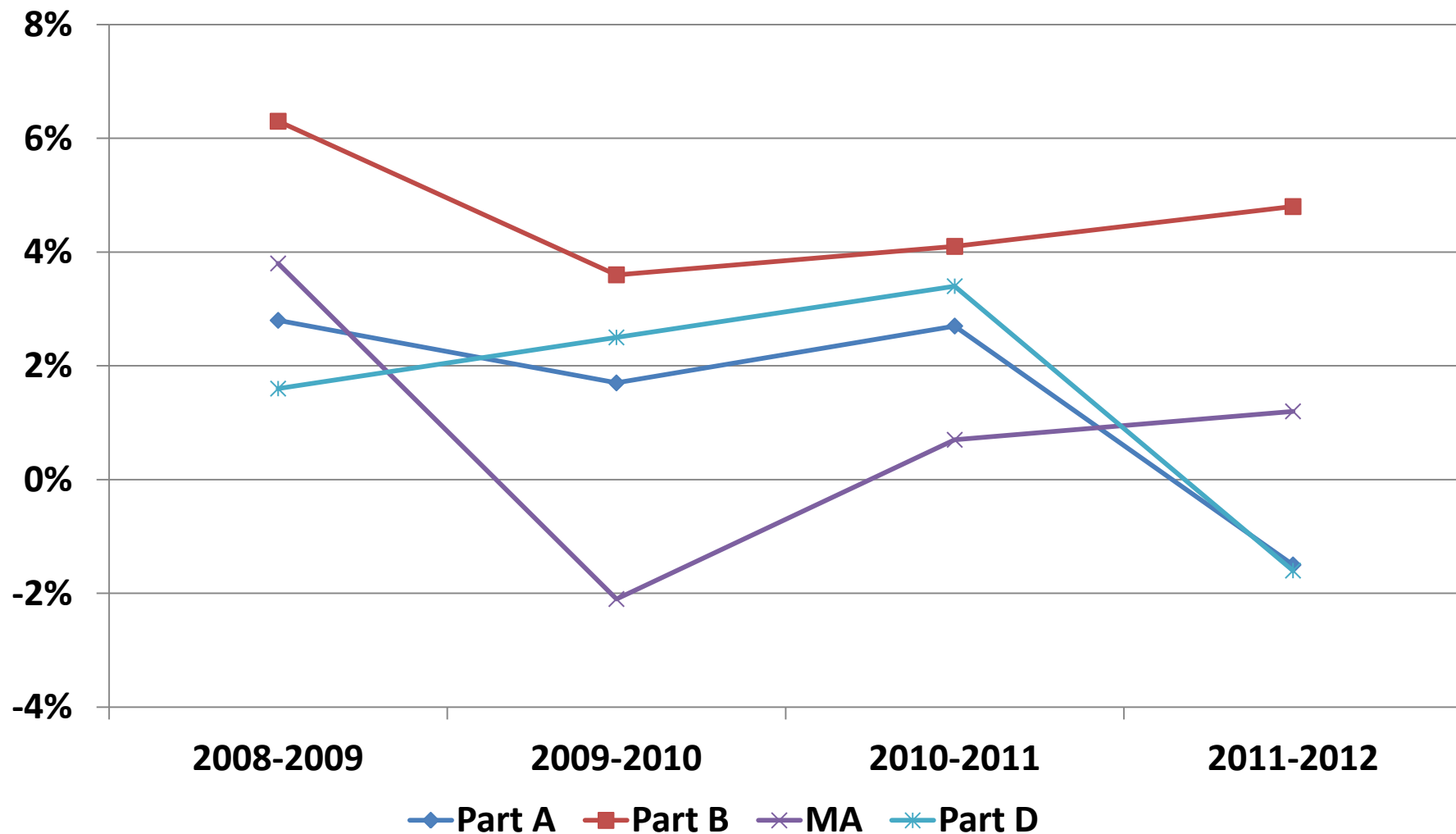
	2009	2012
2-3 star plans	84%	63%
4-5 star plans	16%	37%

Source: Percentages based on 2009 and 2012 MA enrollment statistics, compared using 2013 star rating methodology.

Results: Medicare Per-Capita Spending Growth at Historic Low



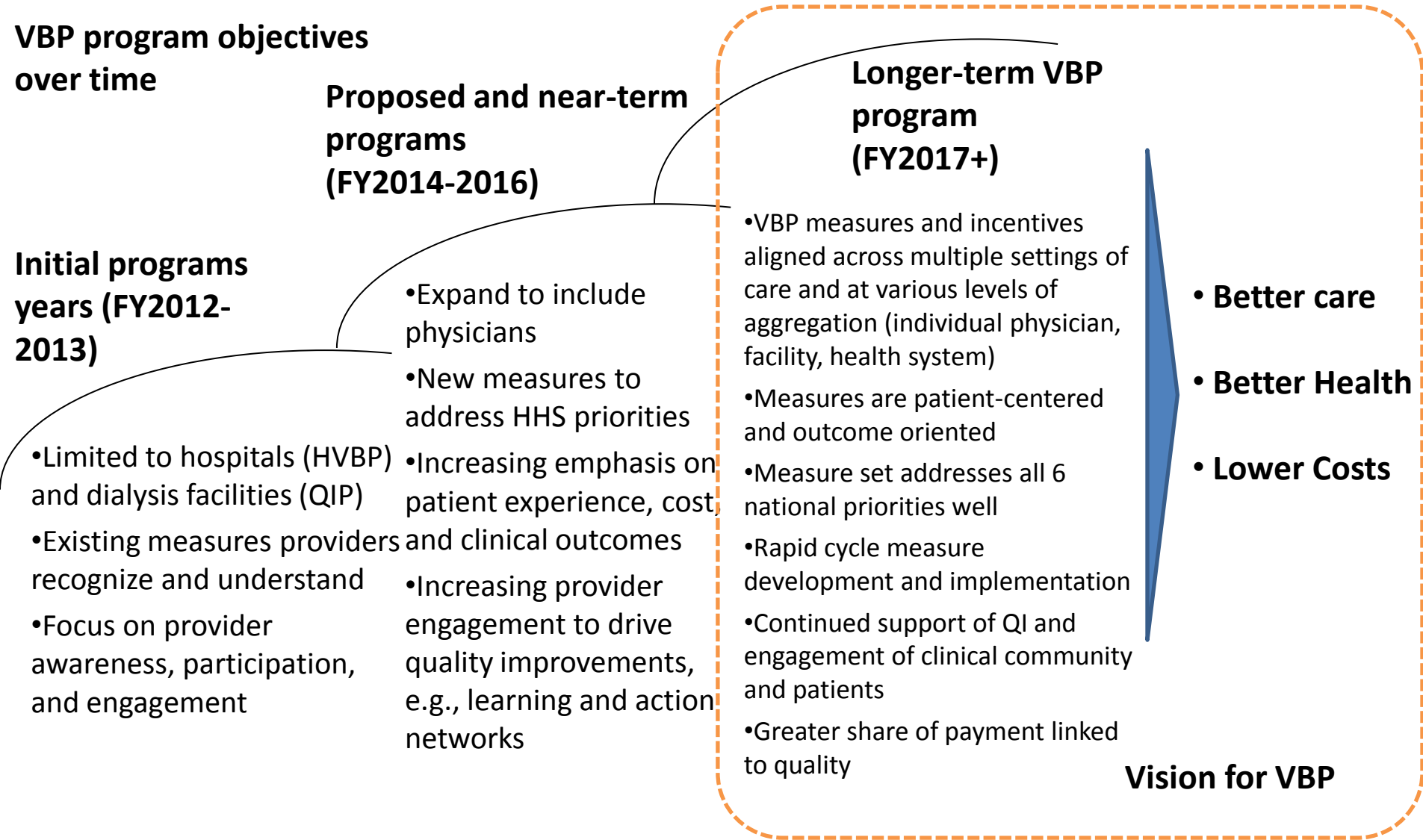
Results: Medicare Per-Capita Spending Growth at Historic Low



Value Based Purchasing (VBP)

- **Tool that allows CMS to link the National Quality Strategy with payments at a national scale. Important driver in:**
 - **Revamping how services are paid for,**
 - **Moving increasingly toward rewarding providers, health systems and plans and that deliver better outcomes in health and health care at lower cost to the beneficiaries and communities they serve.**
- **As the VBP program evolves, it will have an increasing focus on:**
 - **Outcomes measurement,**
 - **Cost/efficiency measurement**
 - **Aligning incentives across providers and levels of aggregation,**
 - **Facilitating rapid cycle measure development and implementation,**
 - **Ensuring continued support of quality improvement, and**
 - **Engaging both clinical community and patients in quality improvement.**

Over 5-years, Value-Based Purchasing Program will increasingly help HHS achieve the three-part aim



Employ Multiple Levers to Transform System

Pre-ACA System:
Producer-Centered
Volume Driven
Unsustainable

FFS Payment Reforms and ACOs

Value-Based Payment

Transparency Initiatives

Quality, Standards & Coverage

Medicaid and Duals initiatives

Part C and D initiatives

Innovation Center

Post-ACA System:
People-Centered
Outcomes Driven
Sustainable

CMS Innovations

Accountable Care

- Medicare Shared Savings Program (Center for Medicare)
- Pioneer ACO Model
- Advance Payment ACO Model
- Comprehensive ESRD Care initiative

Primary Care Transformation

- Comprehensive Primary Care Initiative (CPC)
- Multi-Payer Advanced Primary Care Practice (MAPCP) Demonstration
- Federally Qualified Health Center (FQHC) Advanced Primary Care Practice Demonstration
- Independence at Home Demonstration
- Graduate Nurse Education Demonstration

Bundled Payment for Care Improvement

- Model 1: Retrospective Acute Care
- Model 2: Retrospective Acute Care Episode & Post Acute
- Model 3: Retrospective Post Acute Care
- Model 4: Prospective Acute Care

Capacity to Spread Innovation

- Partnership for Patients

- Community-Based Care Transitions
- Million Hearts
- Innovation Advisors Program

Health Care Innovation Awards

State Innovation Models Initiative

Initiatives Focused on the Medicaid Population

- Medicaid Emergency Psychiatric Demonstration
- Medicaid Incentives for Prevention of Chronic Diseases
- Strong Start Initiative

Medicare-Medicaid Enrollees

- Financial Alignment Initiative
- Initiative to Reduce Avoidable Hospitalizations of Nursing Facility Residents

INNOVATION MODELS

- 15 pharmacy related awards made by Innovation Center
 - **Carefirst (Maryland)**
 - \$24,000,000 awarded; expected to save \$29,213,838
Medicare and CareFirst’s total care and cost improvement program in Maryland
 - **Carilion New River Valley Medical Center (Virginia)**
 - \$4,162,618 awarded; expected to save \$4,308,295
Improving health for at-risk rural patients (IHARP) in 23 southwestern Virginia counties through a collaborative pharmacist practice model
 - **Christiania Care Health Services (Delaware)**
 - \$9,999,999 awarded; expected to save \$376,327
“Bridging the Divide”: improving care for postmyocardial infarction and revascularization patients
 - **Eau Claire Cooperative Health Centers (South Carolina)**
 - \$2,330,000 awarded; expected to save \$14,817,600
Healthy Columbia: recruiting, training, organizing, deploying, and supporting community health teams in low-income areas of Columbia, SC
 - **Johns Hopkins University (Maryland)**
 - \$52,600,000 awarded; expected to save \$19,920,338
Johns Hopkins Community Health Partnership

IHARP Project

Improving Health of At-Risk Rural Patients



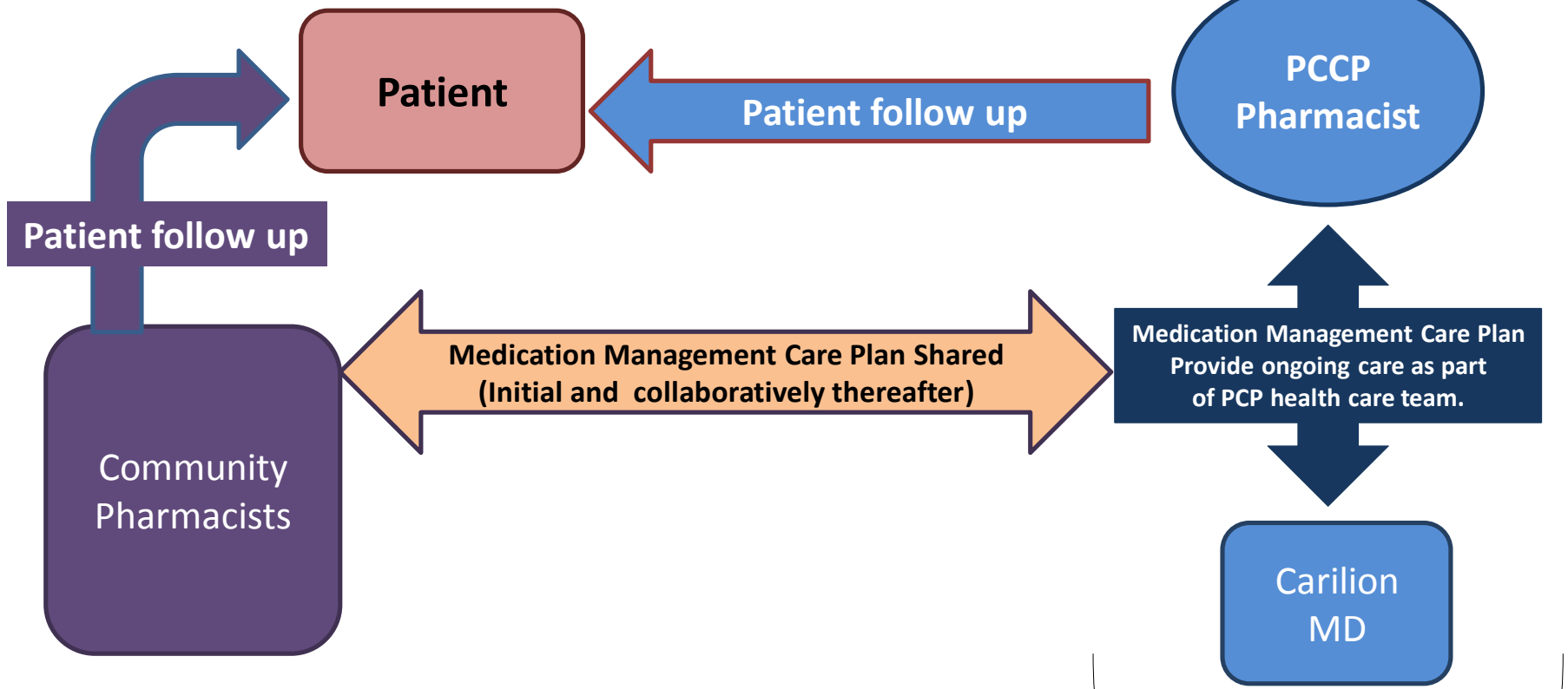
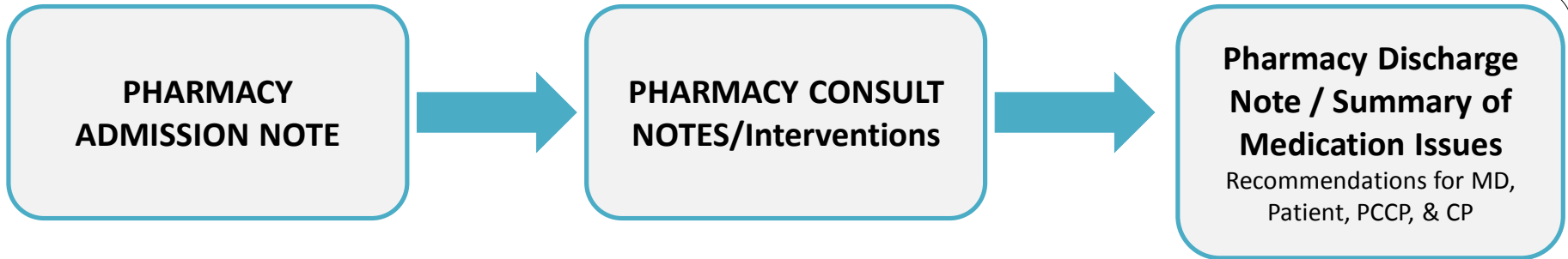
Project Objectives

- Optimize the safety of medication use and improve patient's medication related outcomes
- Establish individualized prevention and wellness strategies for all patients
- Assure that all care team members utilize current chronic disease state management to develop medication care plans
- Increase immunization rate by 20%
- Increase percent of patients at targeted therapeutic goals by 20% at 12 months after their enrollment
- Provide smoking cessation counseling to 85% of smokers
- Reduction in yearly ED visits related to chronic conditions by 20%
- Reduction in yearly hospital admissions related to chronic conditions by 7.5 to 26%

Project Methodology Overview

- Integrating pharmacists who have completed a transformative education/training programs on the health care teams at six Carilion regional rural hospitals and within 17+ Carilion primary care practices.
- Provide electronic health care record access to IHARP network community pharmacies which will enable pharmacists to participate in the seamless care of patients.
- Anticipate enrolling 4000 patients with multiple chronic diseases such as hypertension, diabetes mellitus, asthma and chronic obstructive pulmonary disease, and behavioral health issues during project year one and two of the study.

Institutional Component



Community Component

Primary Care Component

Evaluation Plan

Clinical

- Number of hospital admissions and ED visits
- Medication-related problems
- Change in clinical measures (e.g., A1C, LDL); % at goal

Economic

- Total healthcare costs
- Cost savings per intervention

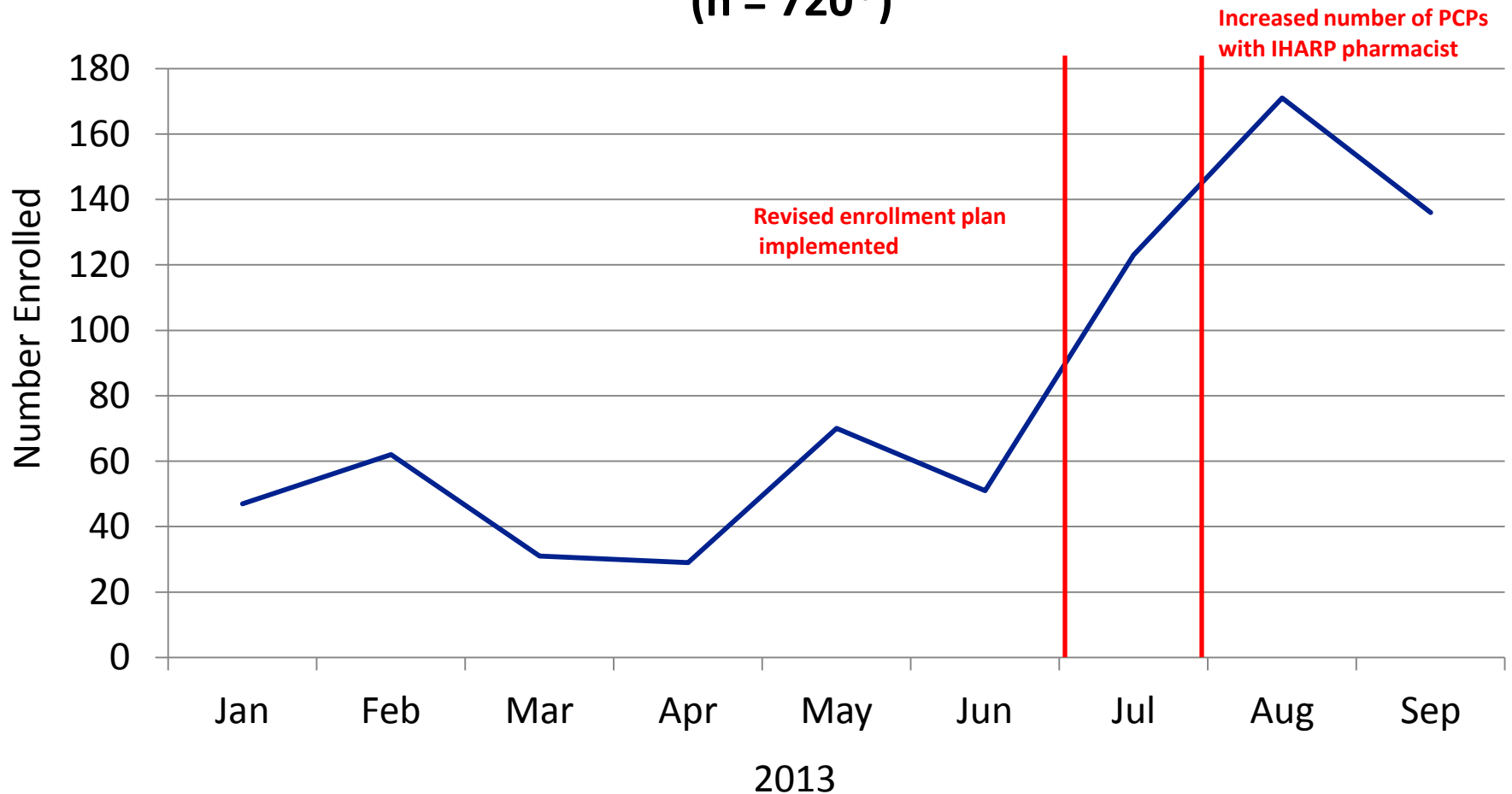
Humanistic

- Patient satisfaction
- Physician satisfaction

Process

Patient Enrollment

Number Enrolled January – September 2013
(n = 720*)



*As of 9/28/13, 46 patients have disenrolled so there are 673 active participants.

Reasons for disenrollment include changed mind (17), death (12), patient health deteriorated (5), moved to skilled nursing facility (4), non-participating PCP (4), moved out of area (3), and caseworker not interested (2).

INNOVATION MODELS

- Second round of awards seeking innovations in four areas:
 - Rapidly reduce costs for patients with Medicare and Medicaid in outpatient hospital and other settings
 - Improve care for populations with specialized needs
 - Test approaches for specific types of providers to transform their financial and clinical models
 - Link clinical care delivery to preventive and population health
- These awards will emphasize results and ensure program integrity