Quality Improvement and Cost Reduction Under Health Care Reform

Association of Asian Pacific Community Health Organizations

March 19, 2012

How are community health centers paid?

- Section 330 funding from HRSA
- Medicaid – but now PPS
- Children's Health Insurance Program
- Medicare
- State and local low-income health programs
- Sliding scale fees from patients
- Commercial health plans
- Grants

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What do we know about health care quality and costs?

- Health care mainly paid as fees-for-services
- More visits = more fees
- So payment is for volume, not quality outcomes or "value"
- "Perverse incentives" against improved quality and reduced costs
- Fragmentation, duplication, and waste: up to 30%?

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What do we know about health care quality and costs?

- If better care = less visits/procedures, providers lose revenue
- Easiest "savings" mainly from avoidable emergency visits/hospitalizations
- Better primary care may create the "savings", but who keeps the money?
- And what about higher need, more complex patients? "Risk adjustment"?

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Patient Protection and Affordable Care Act

H. R. 3590

One Hundred Eleventh Congress
of the
United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Tuesday, the fifth day of January, two thousand and ten

An Act

Entitled The Patient Protection and Affordable Care Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Patient Protection and Affordable Care Act".

(b) TABLE OF CONTENTS.—The table of contents of [illegible] is as follows:

Sec. 1. Short title; table of contents.

TITLE I—QUALITY, AFFORDABLE HEALTH CARE FOR ALL AME[illegible]

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- $10 billion over 10 years
- Demonstrated models can become requirements if improve quality/reduce costs
- Patient care models
- Seamless and coordinated care models
- Community and population health mode

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Patient-Centered Medical Home

American Academy of Pediatrics
DEDICATED TO THE HEALTH OF ALL CHILDREN™

AMERICAN ACADEMY OF FAMILY PHYSICIANS
STRONG MEDICINE FOR AMERICA

ACP AMERICAN COLLEGE OF PHYSICIANS
INTERNAL MEDICINE | *Doctors for Adults*℠

AOA
AMERICAN OSTEOPATHIC ASSOCIATION

- Ongoing relationship with a personal physician
- Physician-directed medical practice
- Whole person orientation
- Coordinated care across the health system
- Quality and safety
- Enhanced access to care
- Payment recognizes the value added

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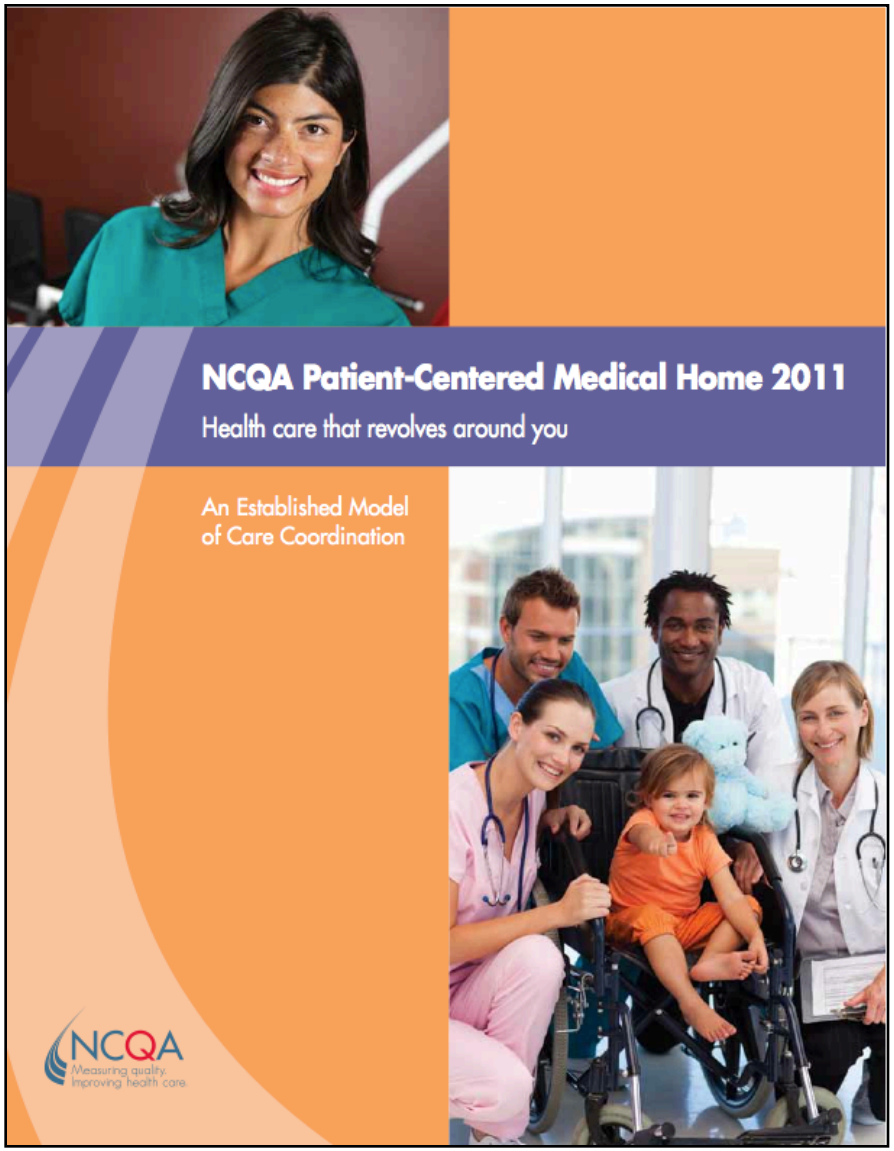

The Joint Commission
Accreditation
Ambulatory Care

New Primary Care Medical Home Option for Accredited Ambulatory Care Organizations

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Medicare Federally Qualified Health Center
Advanced Primary Care Practice Demonstration

Becoming a Patient-Centered Medical Home

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Room 352-G
200 Independence Avenue, SW
Washington, DC 20201

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

Office of Communications

FACT SHEET

FOR IMMEDIATE RELEASE
Monday, June 6, 2011

Contact: CMS Office of Media Affairs
(202) 690-6145

New Affordable Care Act Support to Improve Care Coordination for nearly 200,000 People with Medicare

Federally Qualified Health Center Advanced Primary Care Practice (FQHC APCP) Demonstration Fact Sheet

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DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

Center for Medicaid, CHIP and Survey & Certification

SMDL# 10-024
ACA# 12

November 16, 2010

Re: Health Homes for Enrollees with Chronic Conditions

Dear State Medicaid Director:
Dear State Health Official:

This letter is one of a series intended to provide preliminary guidance on the implementation of the Patient Protection and Affordable Care Act (Pub. L. 111-148), enacted on March 23, 2010, as revised by the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111-152), enacted on March 30, 2010, together known as the Affordable Care Act. Specifically, this letter provides preliminary guidance to States on the implementation of section 2703 of the Affordable Care Act, entitled "State Option to Provide Health Homes for Enrollees with Chronic Conditions."

Section 2703 adds section 1945 to the Social Security Act (the Act) to allow States to elect this option under the Medicaid State plan. This provision is an important opportunity for States to address and receive additional Federal support for the enhanced integration and coordination of primary, acute, behavioral health (mental health and substance use), and long-term services and supports for persons across the lifespan with chronic illness. This guidance outlines our expectations for States' successful implementation of the health home model of service delivery and provides initial guidance on important aspects of the health home provision.

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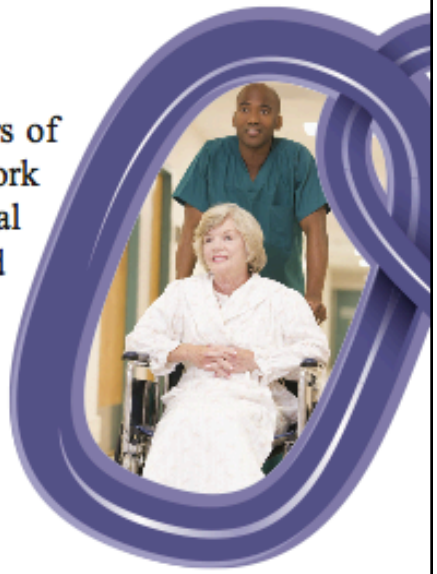
What Is an ACO?



Under the proposed rule, an ACO refers to a group of providers and suppliers of services (e.g., hospitals, physicians, and others involved in patient care) that will work together to coordinate care for the patients they serve in Original Medicare. The goal of an ACO is to deliver seamless, high-quality care for Medicare beneficiaries, instead of the fragmented care that often results from different providers receiving different, disconnected payments. The ACO would be a patient-centered organization where the patient and providers are partners in care decisions.

The Affordable Care Act specifies that an ACO may include the following types of groups of providers and suppliers of Medicare-covered services:

- ACO professionals (i.e., physicians and hospitals meeting the statutory definition) in group practice arrangements,
- Networks of individual practices of ACO professionals,
- Partnerships or joint ventures arrangements between hospitals and ACO professionals,
- Hospitals employing ACO professionals, or
- Other Medicare providers and suppliers as determined by the Secretary.

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$1,000,000,000 = $1 Billion!

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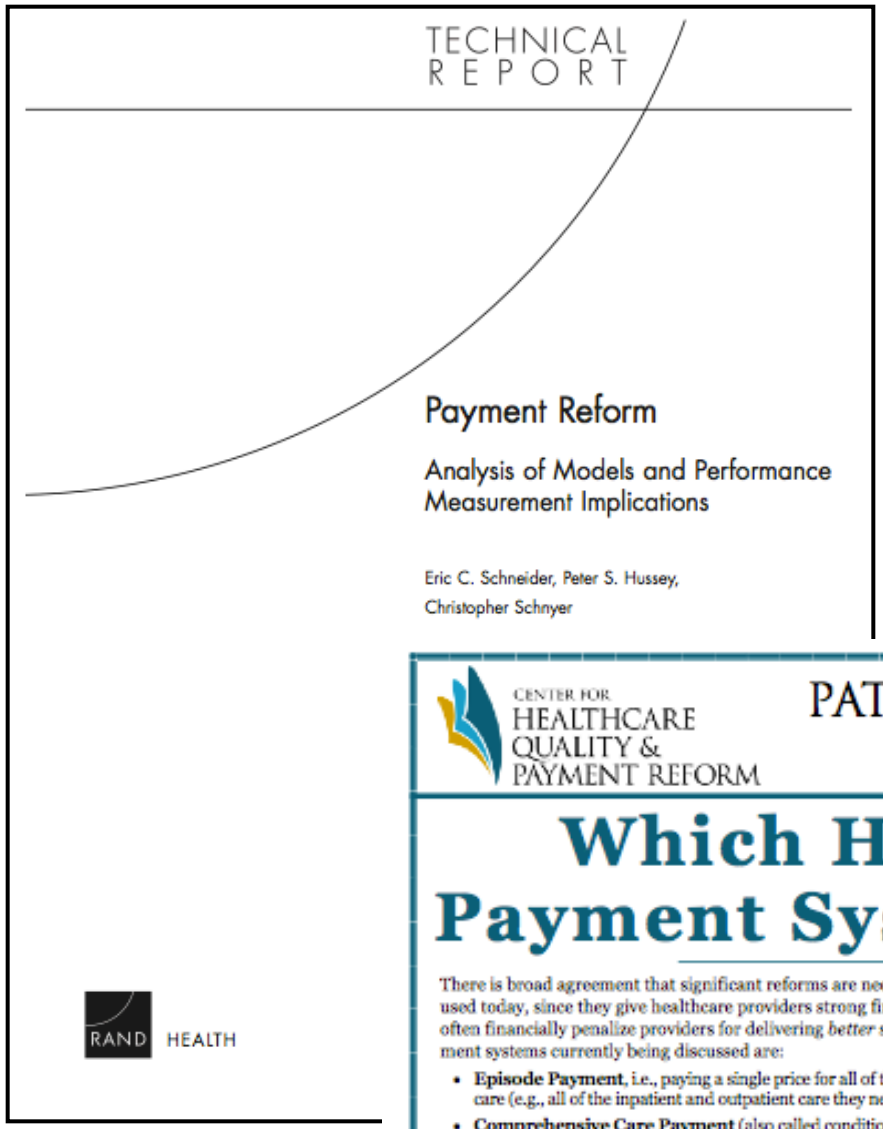

Payment Reform to Improve Health Care

Ways to Move Forward

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Some steps to payment reform

- Registries (know your patients)
- Electronic health records (monitor data)
- Focus quality improvement on conditions like diabetes
- Pay-for-reporting (quality measures)
- Pay-for-improvement (improve from baseline)
- Pay-for-performance (achieve outcome goals)

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What are the implications for AAPCHO?

- Community health centers already have some experience with quality improvement
- Almost all CHCs will be implementing electronic health records
- Some CHCs are becoming medical/health homes or participating in accountable care organizations

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What are the implications for AAPCHO?

- AAPCHO has documented importance of enabling services on quality
- AAPCHO can support data aggregation
- AAPCHO can support peer learning and peer-to-peer technical assistance
- AAPCHO can support patient-consumer centeredness and empowerment

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What are the implications for AAPCHO?

- Need to go beyond quality improvement activities to achieve quality outcome goals
- And move towards models of cost reductions/payment reform
- Develop/test new models of care delivery
- Take advantage of environment of innovation and experimentation
- What's the role of consumers? Your role?

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