

Center for Medicare and Medicaid Services



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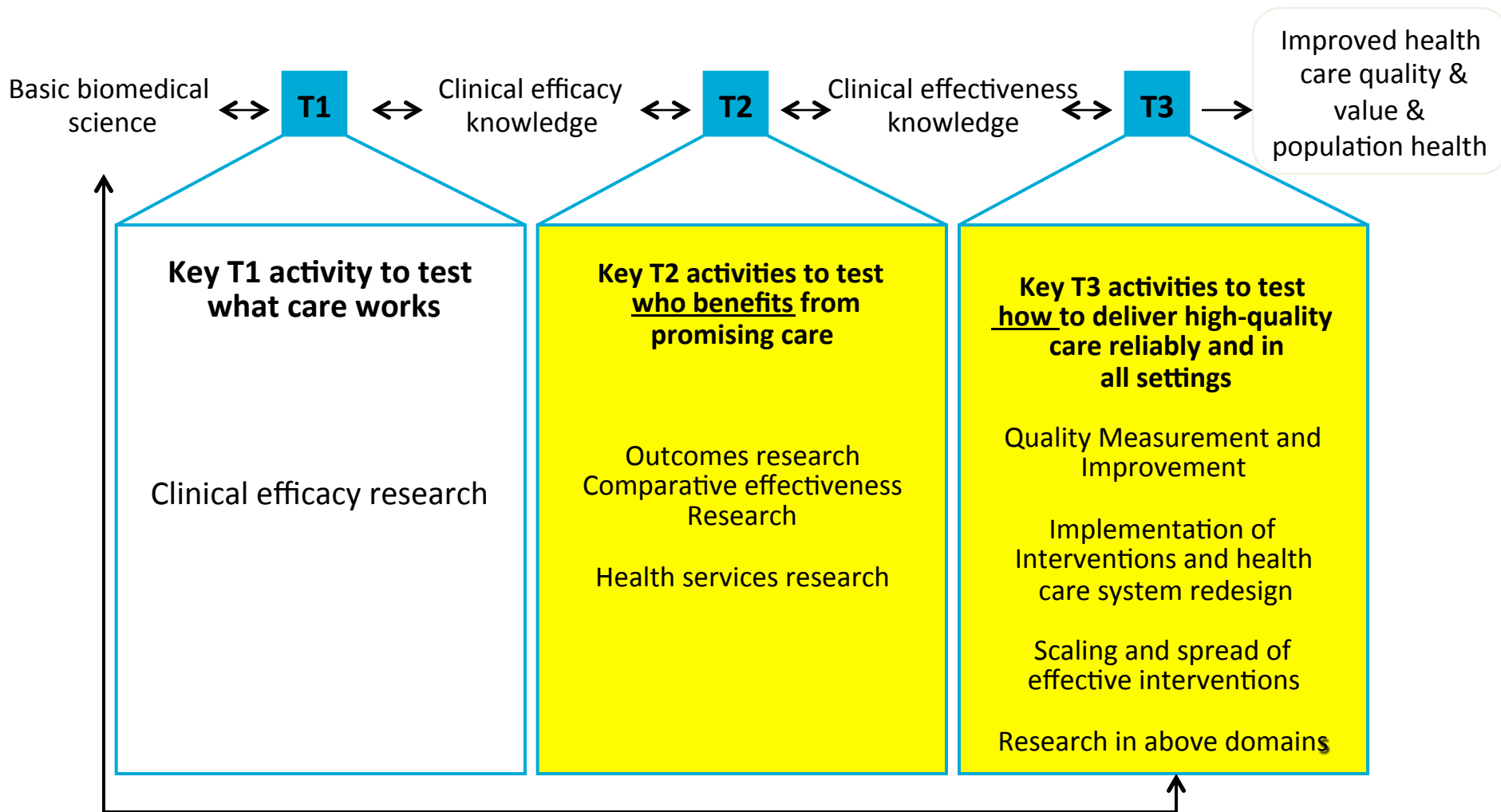
Shaping the future of Aging in Place

- *An understanding of factors that allow people to*
 - *remain in their private homes or community are needed*
 - *that show improved outcomes and cost-savings to providers*
 - *in all demographic populations for people with disabilities and for people who are aging.*
- *The panelist will address the type of research needed to confirm costs and benefits in order to inform regulatory agencies and funding agencies.*

Size and Scope of CMS Responsibilities

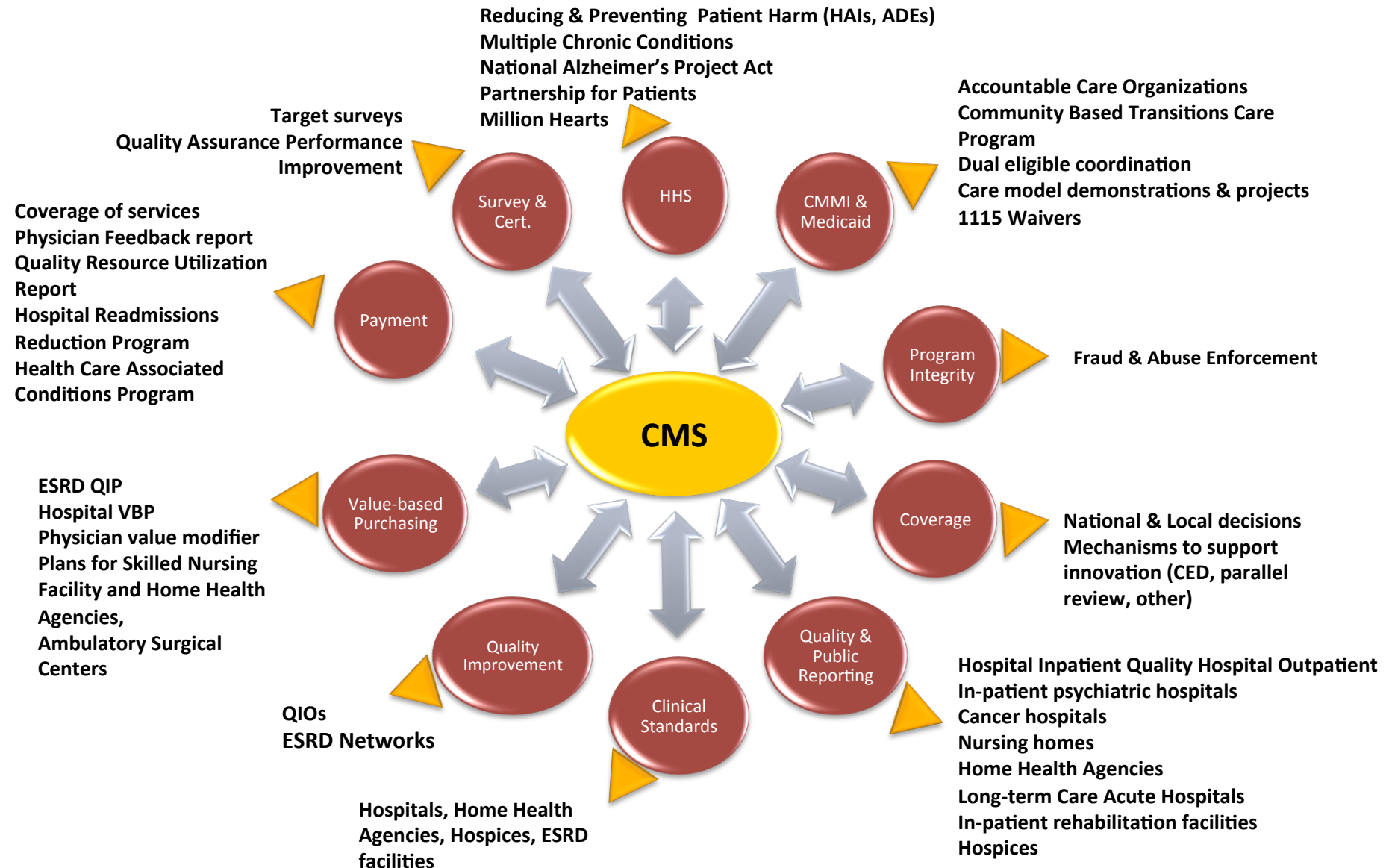
- CMS is the largest purchaser of health care in the world (approx \$900B per year)
- Combined, Medicare and Medicaid pay approximately one-third of national health expenditures.
- CMS programs currently provide health care coverage to roughly 105 million beneficiaries in Medicare, Medicaid and CHIP (Children's Health Insurance Program); or roughly 1 in every 3 Americans.
- The Medicare program alone pays out over \$1.5 billion in benefit payments per day.
- Millions of consumers will receive health care coverage through new health insurance programs authorized in the Affordable Care Act.

The “3T’s” Road Map to Transforming U.S. Health Care



Source: JAMA, May 21, 2008: D. Dougherty and P.H. Conway, pp. 2319-2321. The “3T’s Roadmap to Transform U.S. Health Care: The ‘How’ of High-Quality Care.”

CMS Authorized Programs & Activities



Value-Based Purchasing Program Objectives over Time

Towards Attainment of the Three-part Aim

Initial programs FY2012-2013

- Limited to hospitals (HVBP) and dialysis facilities (QIP)
- Existing measures providers recognize and understand
- Focus on provider awareness, participation, and engagement
- SNF and HH VBP Plans

Near-term programs FY2014-2016

- Expand to include physicians
- New measures to address HHS priorities
- Increasing emphasis on patient experience, cost, and clinical outcomes
- Increasing provider engagement to drive quality improvements, e.g., learning and action networks

Longer-term FY2017+

- VBP measures and incentives aligned across multiple settings of care and at various levels of aggregation (individual physician, facility, health system)
- **Measures are patient-centered and outcome oriented**
- Measure set addresses all 6 national priorities well
- Rapid cycle measure development and implementation
- Continued support of QI and engagement of clinical community and patients
- Greater share of payment linked to quality

Vision for VBP

CMS Activities on Patient Reported Outcome Measures

- In 2012, CMS funded the NQF to develop guidance on development of PROMs
- CMS currently uses a number of PROMs in our clinician reporting programs (e.g. depression, functional status)
- CMS and HHS working to identify existing PROMs that can be rapidly incorporated into our quality reporting programs, including the ACO program and CMMI models.
- CMS and ONC are currently developing PROMs for the hospital and outpatient setting
 - Disease-specific functional status
 - General functional status
- CMS now includes patients in all measure development work, in order to understand the outcomes that are most important to patients and families

The Preferred Road to Coverage

Provide adequate evidence that...

Diagnostics

- ✓ The incremental information obtained by new diagnostic technology compared to alternatives
- ✓ Changes physician/clinician recommendations
- ✓ Resulting in changes in therapy
- ✓ That improve clinically meaningful health outcomes

Therapeutics

- ✓ A treatment strategy using the new therapeutic technology compared to alternatives
- ✓ Leads to improved clinically meaningful health outcomes

In Medicare beneficiaries

The CMS Innovation Center

Identify, Test, Evaluate, Scale

The purpose of the [Center] is to test innovative payment and service delivery models to reduce program expenditures...while preserving or enhancing the quality of care furnished to individuals under such titles.

- *The Affordable Care Act*

Delivery system and payment transformation

Historical State –

Producer-Centered

Volume Driven

Unsustainable

Fragmented Care

FFS Payment Systems

The diagram illustrates a transformation from a historical state to a future state. On the left, under 'Historical State', are five bullet points: 'Producer-Centered', 'Volume Driven', 'Unsustainable', 'Fragmented Care', and 'FFS Payment Systems'. On the right, under 'Future State', are four bullet points: 'People-Centered', 'Outcomes Driven', 'Sustainable', and 'Coordinated Care'. Below these, under 'New Payment Systems and other Policies', is a list of five items: 'Value-based purchasing', 'ACOs, Shared Savings', 'Episode-based payments', 'Medical Homes and care mgmt', and 'Data Transparency'. In the center, two large blue arrows point from the historical state to the future state. The top arrow is labeled 'PRIVATE SECTOR' and the bottom arrow is labeled 'PUBLIC SECTOR'.

**PRIVATE
SECTOR**

Future State –

People-Centered

Outcomes Driven

Sustainable

Coordinated Care

New Payment Systems and other Policies

- Value-based purchasing
- ACOs, Shared Savings
- Episode-based payments
- Medical Homes and care mgmt
- Data Transparency

CMS Innovations Portfolio:

Testing New Models

Accountable Care Organizations (ACOs)

- Medicare Shared Savings Program (Center for Medicare)
- Pioneer ACO Model
- Advance Payment ACO Model
- Comprehensive ERSD 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

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

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Thank You!



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