



Centers for Medicare & Medicaid Pay for Performance Updates

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Big Changes in Medicare

- **New orientation toward prevention**
- **Personalized help for people with special conditions and chronic healthcare issues**
- **Assistance for Low-Income Beneficiaries**

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Changes in Medicare

Keeping up with Today's Healthcare

- **Medicare is converting from a bill paying bureaucracy and a one sized fits all program, to an agency providing personalized help and benefits to beneficiaries.**

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Changes in Medicare

Keeping up with Today's Healthcare

- **Traditionally, Medicare has not communicated with beneficiaries, it has been a standard set of national benefits focused on paying for complications. New focus on prevention and avoiding complications of chronic illness.**

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Personalizing Medicare Services

- **The drug benefit is the first big step in personalizing services. There are a lot of choices and benefits that can be tailored uniquely to beneficiaries**

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Personalizing Medicare Services

- **It is not enough to just change the benefits. We must help educate beneficiaries to understand the new benefits and to use them wisely**
- **Much of the education and communication with beneficiaries will be accomplished by working through providers, hence the need for pay for performance**

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Improving Performance

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Changes in Medicare

Keeping up with Today's Healthcare

- **Medicare has a fundamental interest in re-structuring the payment system.**
- **Medicare is no longer going to pay based purely on volume; the days of the more you do the more you get paid are about to end.**

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Changes in Medicare

Keeping up with Today's Healthcare

- **Medicare intends to become a value based purchaser**
 - **Medicare will measure performance**
 - **Medicare will pay at least partially based on performance**

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Medicare Today

- **We pay for the wrong care much of the time (45%)**
- **We pay for inappropriate care**
- **We pay for unnecessary care**
- **We pay for mistakes and errors**
- **We pay for many duplicative diagnostic studies**
- **We must do better- we cannot afford to continue on this path**

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Medicare Today

- Medicare wants to pay for the right care for every patient every time
- Medicare wants to pay for all of the care needed by beneficiaries that is supported by science
- Medicare wants to pay for all of the appropriate preventative care for all beneficiaries based on scientific standards
- **P4P is not cost control in disguise, Medicare wants to pay for performance**

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Performance is...

- Measuring patients experience of care
- Measuring and rewarding based on efficiency and eliminating waste and unnecessary costs
- Measuring ability to use evidence based care
- Measuring appropriate use of preventive care

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Paying for Performance through Demonstrations

- **CMS currently pays for quality through a series of demonstrations (all must be budget neutral)**
- **A large number of quality demonstrations were mandated in MMA**



Current P4P Demonstrations

- **Premier Hospital Reporting**
- **DOQ-IT (Sec 649)**
- **CCIP / Medicare Health Support**
- **BIPA Disease Management / Heart Partners**
- **Physician Group Practice Demonstration**
- **High Cost Beneficiaries**
- **Medicare Health Care Quality (Sec 646)**

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What CMS Really Needs

- **We need a good Medicare Advantage model for doing P4P inside the expanding MA program.**
- **Is anyone here aware of a good P4P program?**



Stay Informed Through Region IX Stakeholder Call

- **Every 3rd Thursday of the Month, 2-3pm PST**
- **Next call March 16, 2006**
- **Toll Free: 888-452-0273**

Pass Code: Stakeholder Call

Leader: Jeff Flick

- **Register for “CMS Region IX Stakeholder” ListServ for notification and details about calls through:**
- **<http://www.cms.hhs.gov/apps/maillinglists/>**

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Thank You!

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