



Fourteenth National Value-based Payment and Pay for Performance Summit

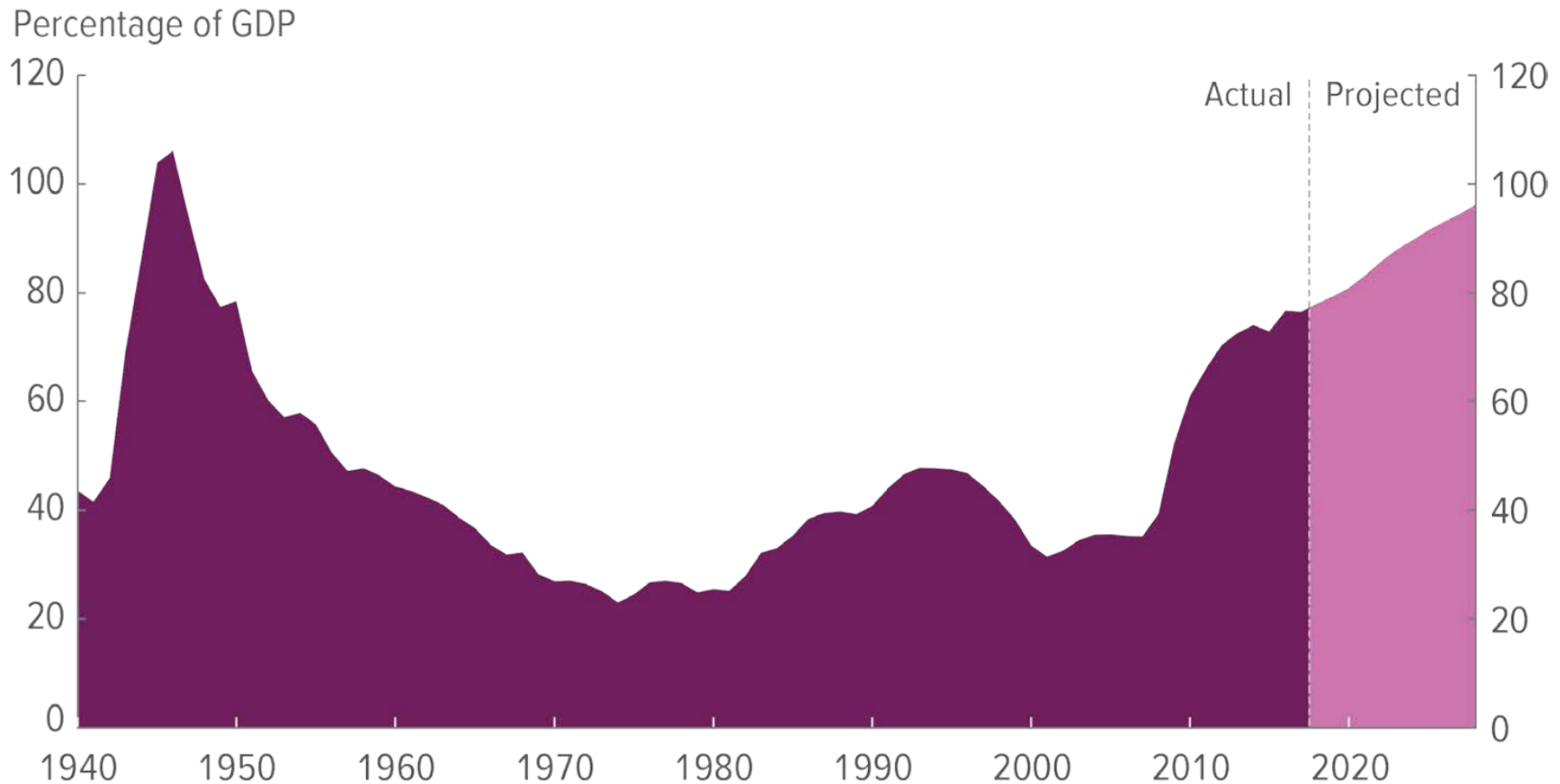
February 27, 2019

C. Duane Dauner



At a Macro Level

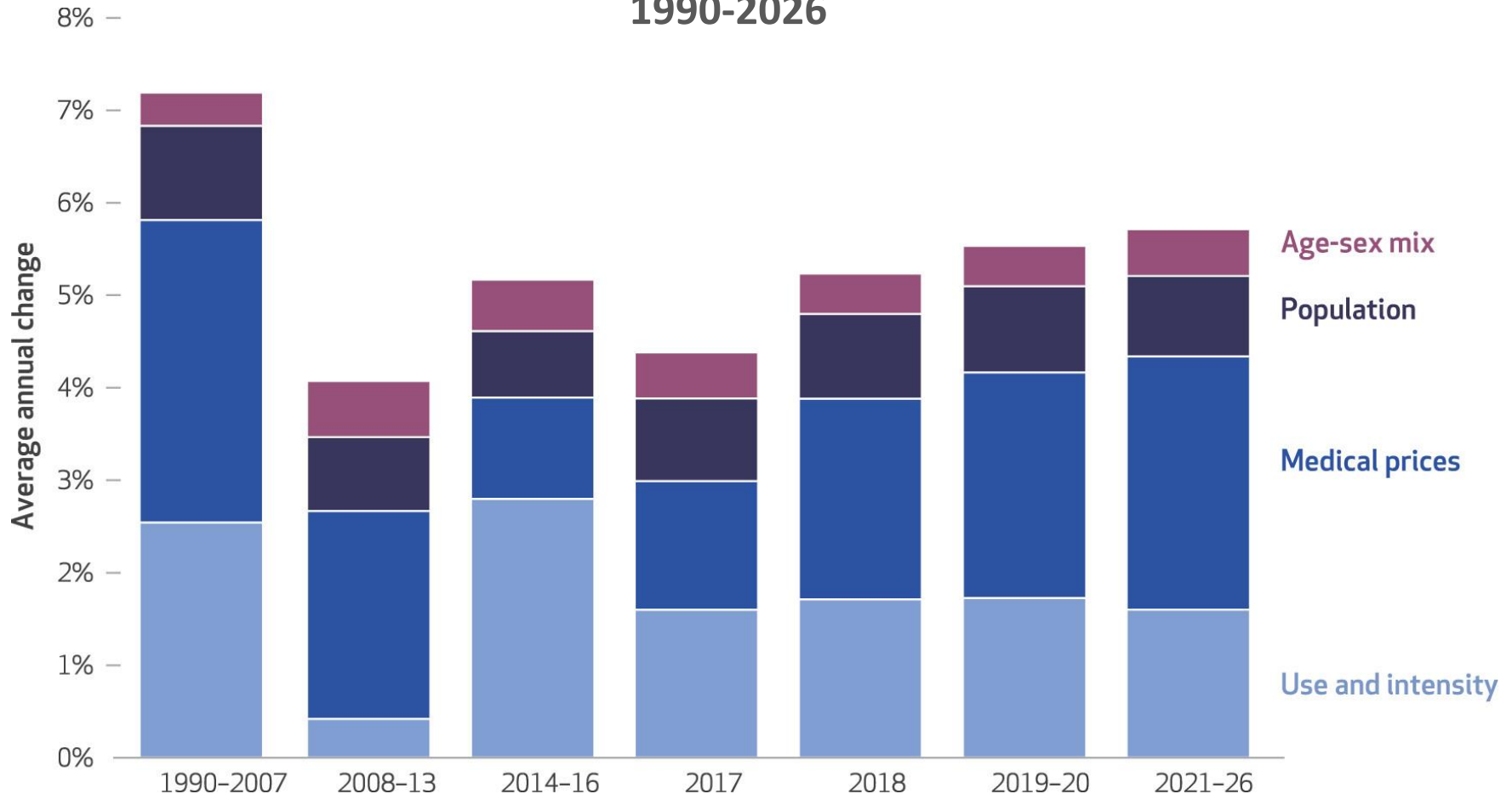
Federal Debt Held by the Public % of Gross Domestic Product





Growth in Health Care Costs

Factors accounting for growth in personal health care expenditures
1990-2026





Social Forces

- Instantaneous communications/reactions
- Pace of life
- Income inequality
- Disparities
- Determinants of health



- ✓ Home, employment/income, housing, education, abuse, violence, food security, social support, tobacco, alcohol, recreational/clinical drugs, transportation/traffic, culture and recreation, environment, health care, children's contact with adults and exercise



2018 Elections

U.S. SENATE

	Democrats	Republicans
Party Members	45	53
Independents	2	

U.S. HOUSE OF REPRESENTATIVES (435 seats)*

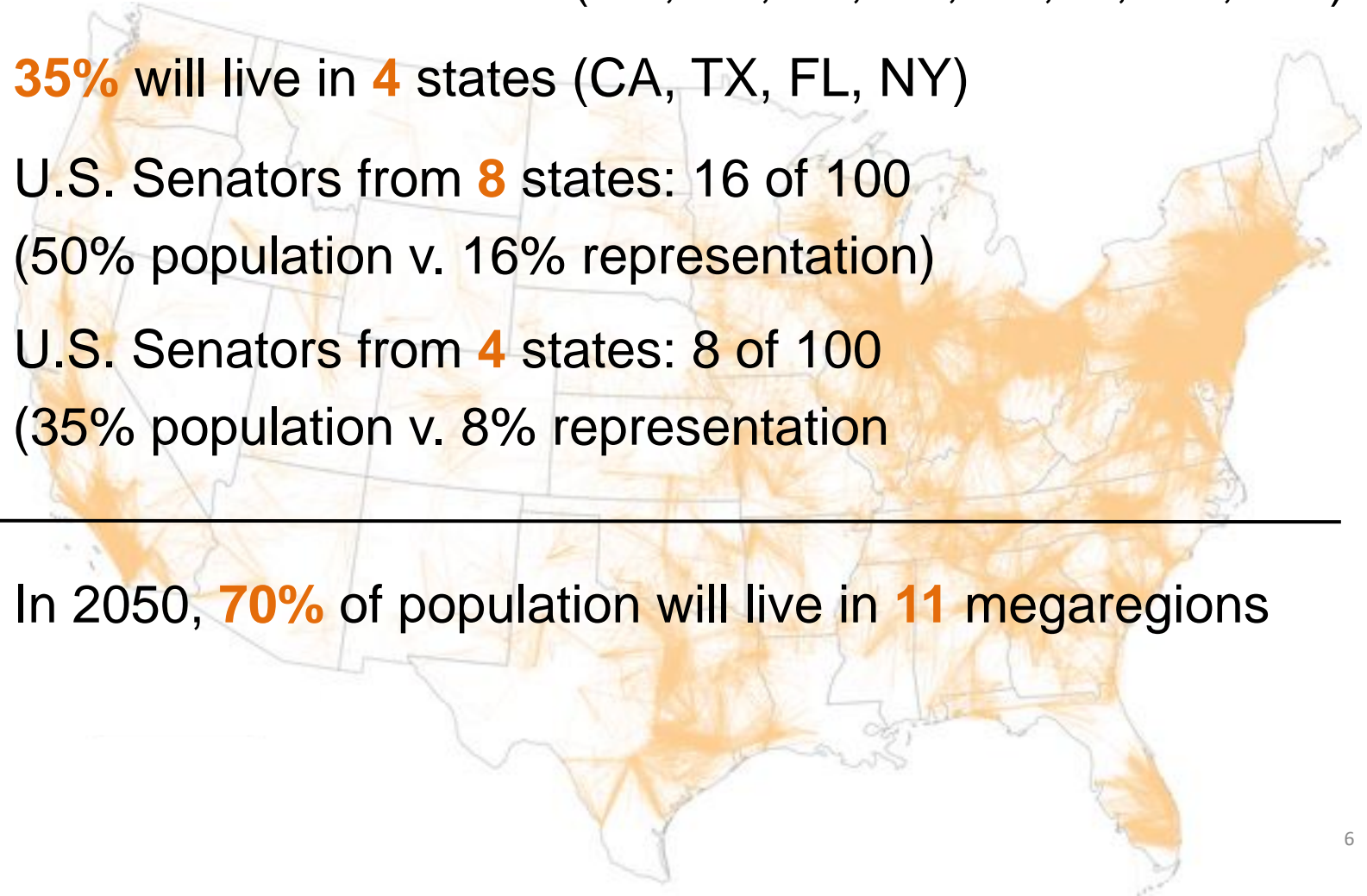
	Democrats	Republicans
Party Members	235	200

*102 women, including two Native Americans and two Muslims; least politically experienced House in U.S. history



U.S. Population – 2040 (Red vs Blue)

- **50%** will live in **8** states (CA, TX, FL, NY, PA, IL, GA, OH)
 - **35%** will live in **4** states (CA, TX, FL, NY)
 - U.S. Senators from **8** states: 16 of 100
(50% population v. 16% representation)
 - U.S. Senators from **4** states: 8 of 100
(35% population v. 8% representation)
-
- In 2050, **70%** of population will live in **11** megaregions





A Divided Nation

2016

County-level
Results

Election 2016: County-Level Results





The Rise of Hyper-Partisanship

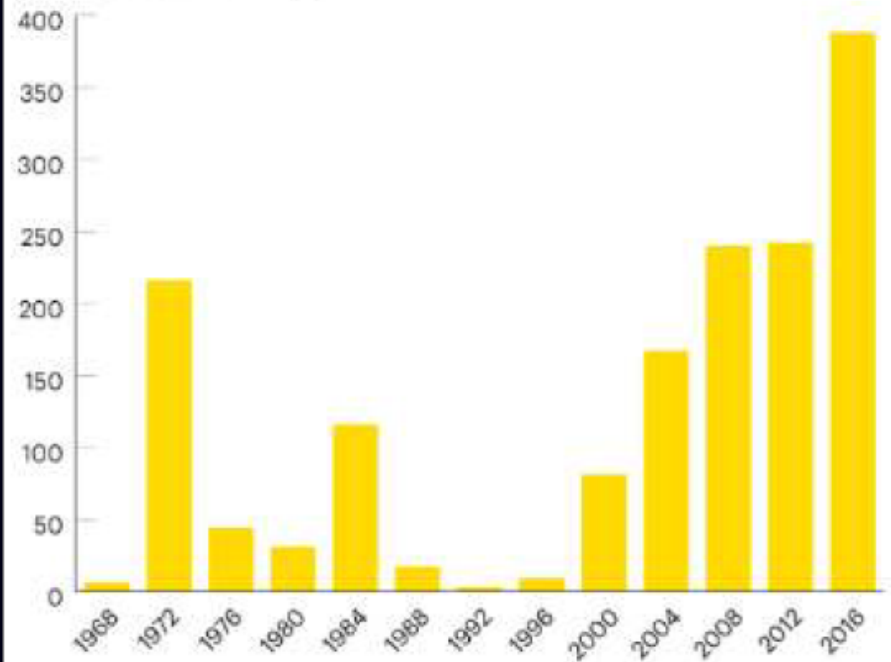
The Rise of Hyper-Partisanship

“Hyperpartisanship becomes more important when the party coalitions are **weaker.**”

(Lee Drutman, New America Foundation)

AMERICA'S SUPER PARTISAN COUNTIES 1968 TO 2016

The number of counties that have given a presidential candidate more than 80 percent of the vote is rising.



Source: State elections offices



The Untenable Coalitions

THE UNTENABLE COALITIONS

“Right now, each party has a foot in each universe...Before too long, the politics will break down into openness versus closedness, dynamism versus stability...the Coalition of Transformation versus the Coalition of Restoration.”

“Time for a Realignment,”
David Brooks

Upscale urban
professionals
who make up
the ruling class

Globalization-
loving
business
executives

**Less-affluent
members of the
minorities**

**Globalization
-hating white
workers**



Media

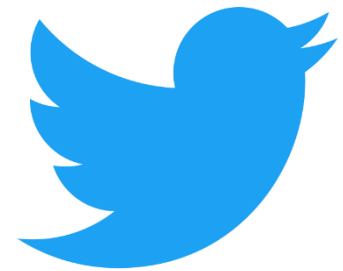
Historic News Reporting



Entertainment Business



Social Engineering
and Biased Reporting





Disappearing Arts

- Deep thinking
- Long-term planning
- Political civility
- Balancing mutual interest
with self interest
- Ability to appreciate the
virtues of compromise
- Good will and collegiality





Wild Cards

- President Trump
- Digital health
- Investigations and fallout
- Terrorism/violence/security
- Economic recession
- Health policy
- Climate change/environment
- Scandals/legal proceedings
- Population alienation/division

- ✓ House v. Senate
- ✓ Rural v. Urban
- ✓ Poor v. Rich
- ✓ I v. Reps
- ✓ I v. Dems v. Reps
- ✓ I v. Dems v. Dems
- ✓ I v. Reps v. Reps
- ✓ Whites v. Ethnic v. Ethnic





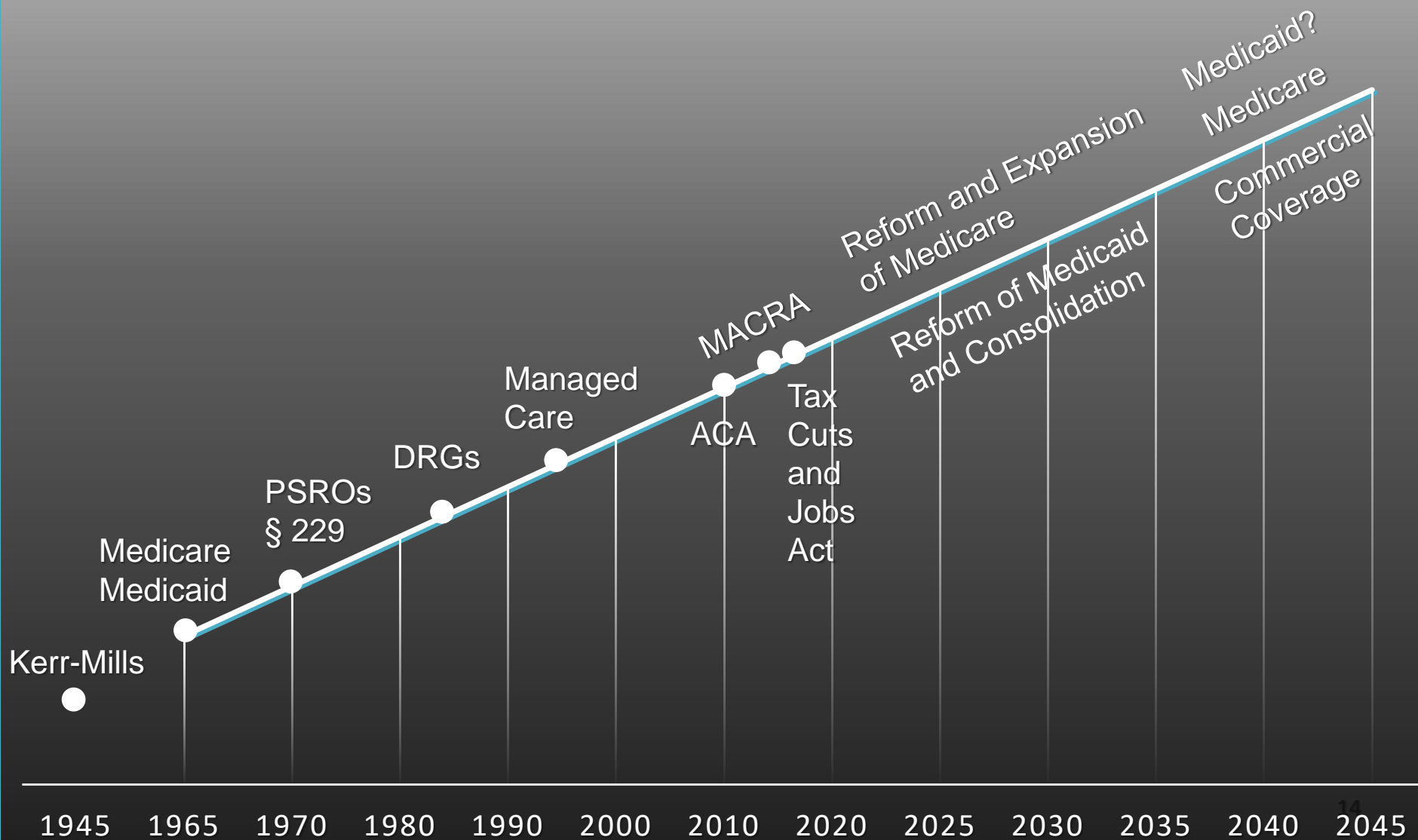
Potential Health “Reforms”

- Medicare for all (national political wedge issue)
- State single payer/payment controls
- Utility model
- Pluralistic system
- Combination
- Status quo tweaks
- Medicare payment cutbacks and Medicaid waivers
- P4P/VBP/risk payments





1945-2045 (Century of Transformation)





ISSUES

- Transparency
- Consumerism
- Meaningful data?
- Inconsistent policies and incentives
- What performance/metrics?
- What are payments for?



ISSUES (cont.)

- Health care services payments v. population health expectations
- Cost containment strategies
 - ✓ Quality/patient safety
 - ✓ Narrow networks/site neutral
 - ✓ Reduced payments
 - ✓ Red tape/denials
 - ✓ Bundled, global and case payment
 - ✓ Responsibility (cost) shifting



ISSUES (cont.)

- Targeted v. universal strategies
 - ✓ Selected stakeholders v. all stakeholders
- Definition of covered services and programs (including social factors)
- Hospitals
 - ✓ Capital intensive
 - ✓ Future
- Regulations



VBP Arrangements

- Upside Only Shared Savings
 - ✓ With or without care coordination payment (kicker) usually paid as PMPM
 - ✓ Usually quality metric bonus
- Upside Shared Savings with Downside Risk
 - ✓ With or without care coordination payment (kicker) usually paid as PMPM
 - ✓ Usually quality metric bonus
- Global Risk with Reconciliation
 - ✓ Usually quality metrics bonus
- Professional or Primary Care Capitation
 - ✓ May also have quality metrics bonus or requirements
- Institutional/Enterprise Capitation
 - ✓ May also have quality metrics bonus or requirements
- Dual Risk Capitation
 - ✓ May also have quality metrics bonus or requirements
- Global Capitation (in California must have Restricted Knox Keene License)
 - ✓ May also have quality metrics bonus or requirements



What does it all mean?

- To health policy?
- To payers?
- To hospitals and other providers?
- To patients?
- To society?



THANK
YOU

