

Developing a Playbook for Payment Reform



Robert S. Galvin, MD
4th National Pay for Performance Summit
March 10, 2009

Clinician to Purchaser

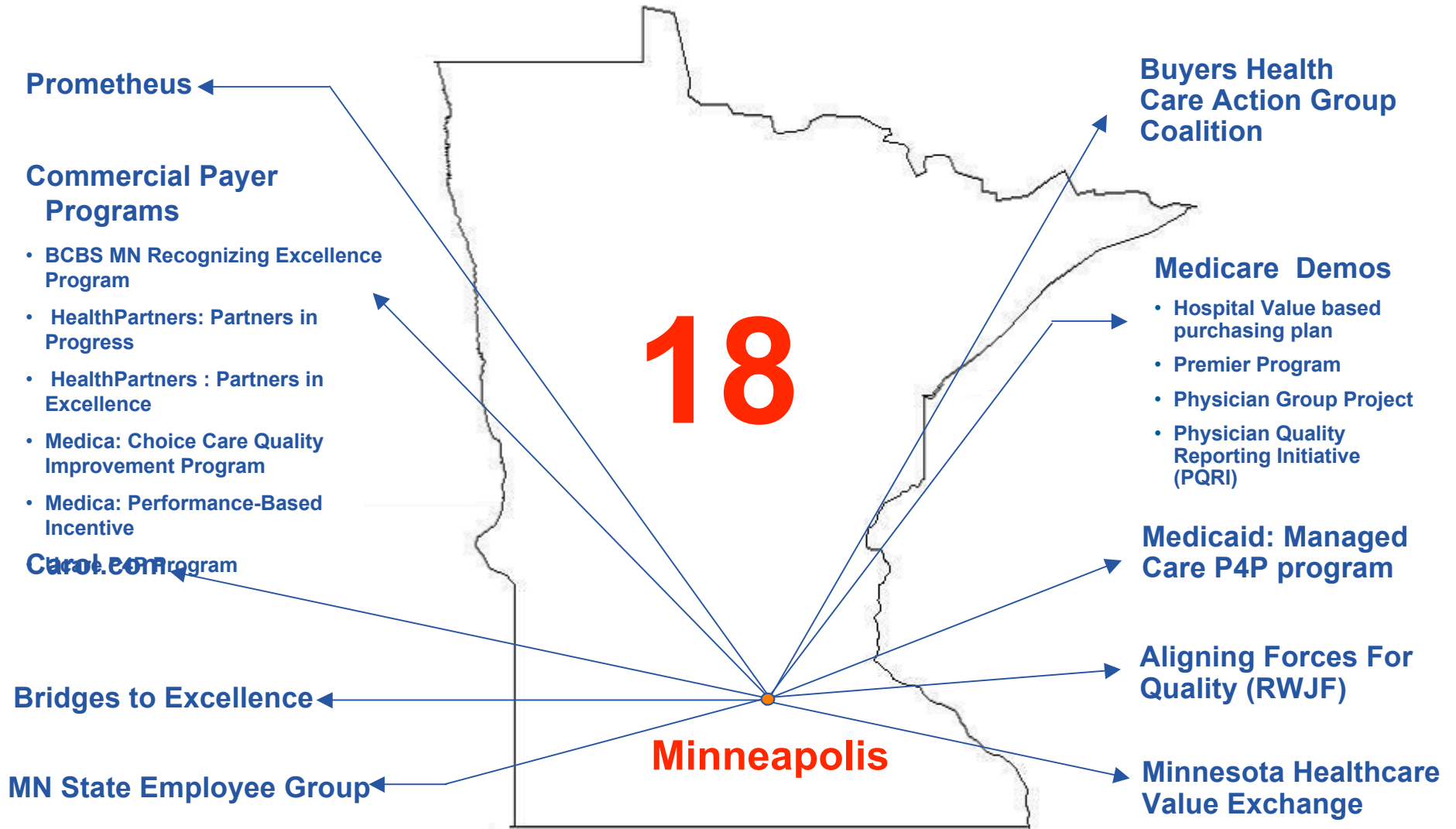
“If I keep improving quality
and efficiency, I’ll go out of
business.”

Today

- Agreement payment must change significantly from volume to value
- Impressive number of private sector initiatives . . . but not coordinated
- CMS moving in right direction but little input from private sector

Concern That Chaos, Complexity and Unintended Consequences Will Undermine Positive Impact

No Leadership and Growing Chaos

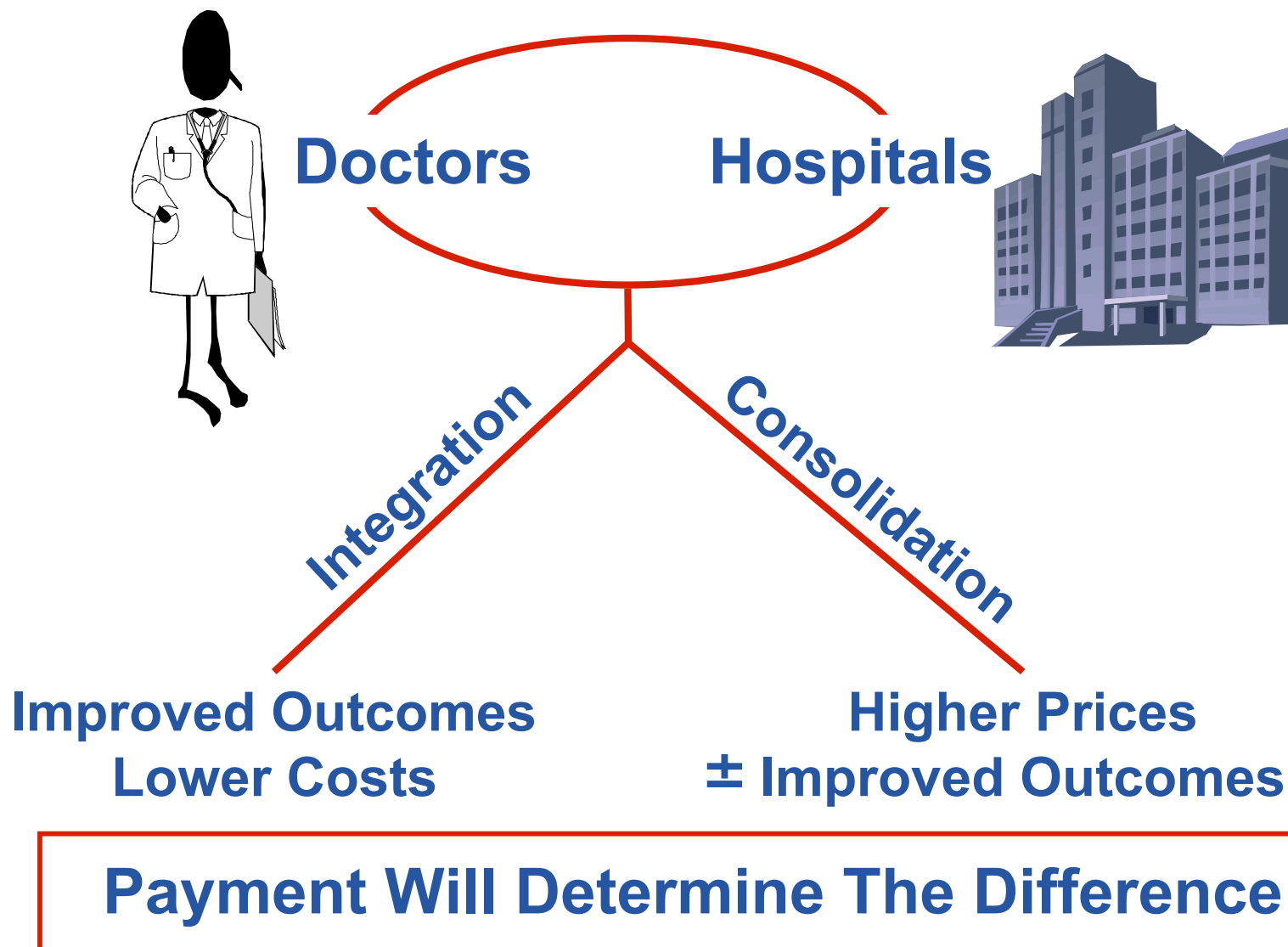


Who Will Influence Payment Reform?

- Broad Agreement on Direction . . . Primary Care, Bundling, Pre-payment, Risk Adjustment
- But Details Are Critical
- Medicare Will Make a Big Difference
- And Powerful, Vested Interests Are Engaged

**Payment Reform Leaders Need a
Voice**

An Example: Bundled Payment



CPR

Center for
Payment
Reform



An Initiative of the Consumer-Purchaser Disclosure Project

**A Unified Voice For Consumers, Labor,
Purchasers, Willing Providers,
Policymakers**

Center for Payment Reform (CPR)

Create
principles
&
roadmaps
for reform

Establish a
national
scorecard
on payment

Inform
and
coordinate
local
initiatives

Facilitate
private /
public
sector
alignment

Platform For Change

A No “One Size Fits All” Approach

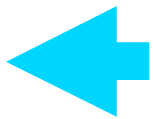


Fee-For-Service

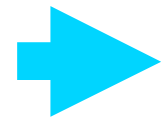
**Episode/Condition-
Based Payment**

**Population-
Based Payment**

Pay-for-Performance



Each strategy can include additional rewards and/or penalties against desired quality goals, including process, structure, and outcome metrics



**Reforms Will Vary Based on Market
Conditions**

- Provider organization
- Delivery system infrastructure
- Active payment initiatives

A Playbook for Payment Reform

Path 1: Reforming Payment

- Outline Payment Reform Strategies / Options
- Measure Relative “Value” Of Each Option
- Establish Detailed Recommendations

Path 2: Reforming Processes

- Map-Out Current Processes – Public and Private Sectors
- Outline Policy Options and Specific Process Recommendations

'09 Strategy: The Playbook

- Circulate Principles
- Create & Finalize Roadmaps
- Sign-on
- Influence

For More Information Contact:

Anna Fallieras
(203) 373-2352
anna.fallieras@ge.com



www.centerforpaymentreform.org