Developing a Playbook for Payment Reform

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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

Prometheus

Commercial Payer Programs
- BCBS MN Recognizing Excellence Program
- HealthPartners: Partners in Progress
- HealthPartners: Partners in Excellence
- Medica: Choice Care Quality Improvement Program
- Medica: Performance-Based Incentive

Bridges to Excellence

MN State Employee Group

Buyers Health Care Action Group Coalition

Medicare Demos
- Hospital Value based purchasing plan
- Premier Program
- Physician Group Project
- Physician Quality Reporting Initiative (PQRI)

Medicaid: Managed Care P4P program

Aligning Forces For Quality (RWJF)

Minnesota Healthcare Value Exchange
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

Payment Will Determine The Difference

- Improved Outcomes
  - Lower Costs
- Higher Prices
  - ± Improved Outcomes

Integration

Consolidation

Doctors

Hospitals
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
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
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