

Market Mover?

The Emerging Role of CMS in P4P

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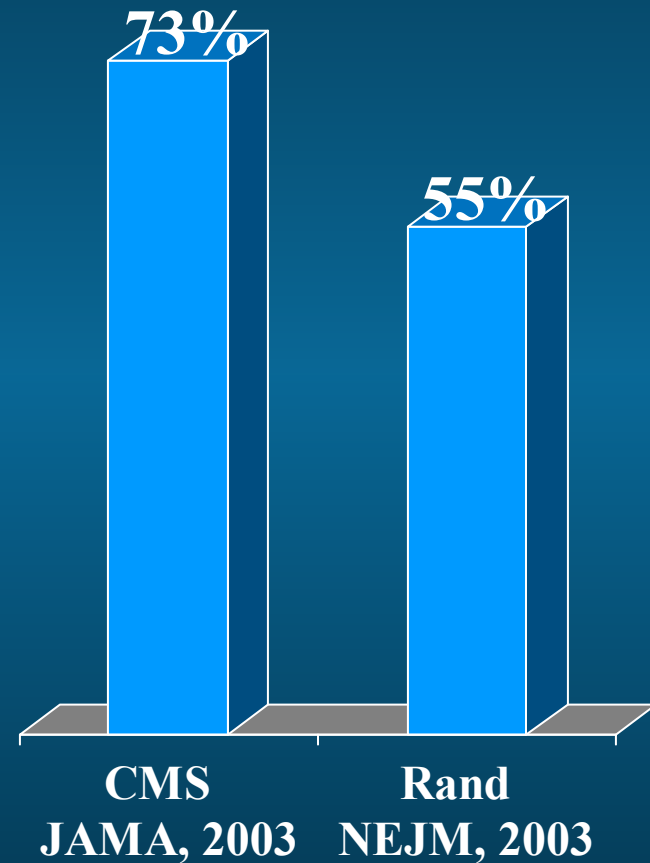


Why Medicare P4P?

- Quality & Patient Safety
 - Significant room for improvement
- Significant Public Attention
 - Administration & Congressional interest
 - Institute of Medicine, MedPAC
 - Private sector initiatives
- Rising Health Care Costs
 - Need to focus on value

Quality Improvement Opportunities

- Continuing Gaps in Care for the Elderly
- Recent Studies Have Shown...
 - 73% chance of receiving appropriate care
 - 55% received recommended care
- Significant Opportunities for Providing the Right Care at the Right Time in the Right Place



Medicare P4P Agenda

- Premier Hospital Quality Incentive Demonstration
- Hospital Annual Payment Update Differential
- Physician Group Practice Demonstration
- Medicare Care Management Performance Demonstration
- Medicare Health Care Quality Demonstration
- Several Disease Management Initiatives

Hospital Quality Incentives

- Financial Incentives for Premier Hospitals to Demonstrate High Quality of Care
- AMI, Heart Failure, Community Acquired Pneumonia, CABG, Hip/Knee Replacement
- Bonuses
 - 1st decile gets 2% bonus
 - 2nd decile gets 1% bonus
 - Penalty for 9th & 10th decile hospitals in 3rd year
- Public Reporting

Physician Group Practice Demonstration

- Improve coordination of care
- CHF, CAD, diabetes, hypertension & prevention measures
- Bonuses for efficiency & process/outcome improvement

Medicare Care Management Performance Demonstration

- Support and bonuses for PCPs for adoption & use of health information technology
- Bonuses for heart/stroke & diabetes quality performance
- Modeled on Bridges to Excellence

Medicare Health Care Quality Demonstration

- Focus on hospital, group practice & health care system redesign
- Incentives to improve health care quality, safety & efficiency
 - Promote best practices, shared decision making and culturally competent care

Disease Management Initiatives

- Increasing focus on quality – both process and outcomes
- Guaranteed budget neutrality or savings – fees at risk
- Patient and provider satisfaction

Medicare Quality Efforts

- Working to Improve Quality Across All Provider Types
- Emphasis on Incentives, Public Reporting & Transparency
- Collaborate with Industry to Standardize Performance Measures & Reporting
 - NQF, JCAHO, NCQA, AMA, AHRQ, etc.
- Technical Assistance from QIOs

Quality Improvement Conundrum

- How Can We Stimulate Quality Improvement?



or stick?

- If We Pay You More, Whom Do We Pay Less?

Budget Neutrality

- Does P4P Save Medicare Money? Who Benefits?
- Savings From...
 - Admissions
 - Readmissions
 - Length of stay
 - Efficient operations
 - Guideline compliance
 - Improved outcomes

Targeting Medicare Beneficiaries

- Chronically Ill Medicare FFS Beneficiaries
- Intensive Focus to Improve Care Coordination
- Significant Savings Opportunities
- Significant Interest in Targeting Other High-Cost, High-Use Beneficiaries

Measuring Quality Improvement

- What Measures to Collect & How to Collect?
- Consensus Measures
- Data Collection & Reporting Processes
- Setting Performance Thresholds
- Administrative Burden
 - Resources & budget
- Audit & Verification

Measuring Financial Performance

- Assigning Beneficiaries in Loose Medicare FFS Environment
- Comparison Population vs. Control Group
- Reconciliation & Claims Lag Implications
- Performance Periods
- Rebasing
- Risk Adjustment
- Budget Neutrality

Public Reporting

- Identifying High & Low Performers
- Meaningful & Actionable Measures
- Intended Audience
- Comprehensive Measures
- Comparability
- Time Frame & Frequency

Where We Are Going

- Medicare Volume
 - Significant market share
- Providers Willing to Play
 - Consistency with clinical practice & high quality
- Performance Measurement
 - Benchmark achievement or improvement?
 - Setting the bar too high or too low?
- Tinkering at the Margin or Fundamental System/Process Redesign
 - Medicare Health Care Quality Demonstration