

Social Work, CMS, and Health Care Reform: New Opportunities & Accountability

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Presentation Overview

- **Health Care Reform**
- **Affordable Care Act**
- **Payment System Objectives**
- **Accountable Care Organizations**
- **Payment Bundling**
- **Transitions & Care Coordination**
- **Discussion**



Health Care Reform: Overview

- **Goals of the Affordable Care Act (ACA)**
 - Expansion of coverage
 - Cost control
- **Projected savings**
 - Congressional Budget Office (CBO)
 - Reduce federal deficit by \$100 billion by 2020 and \$1 trillion from 2020-2030
 - The Commonwealth Fund
 - Total health care expenditures will be reduced by \$600 billion by 2020



Health Care Reform: Overview (cont'd)

- **“The true measure of health care reform’s success is whether it drives down medical costs over the long term”¹ – bending the cost curve**
- **Payment reforms**
 - Bundling acute hospital care and post-acute care, along with physician services
 - Pay-for-performance, shared savings, and value-based purchasing
- **Care coordination through affiliated providers**
 - Accountable care organizations (ACOs) and medical homes
 - Improve quality and reduce unnecessary utilization by decoupling payment from volume and intensity of services as encouraged by fee-for-service (FFS)
 - Expanding evidence-based care coordination



Health Care Reform: Payment Elements of ACA

- **Center for Medicare & Medicaid Innovation (CMI)**
- **Grants and Demonstrations**
 - National pilot program on payment bundling
 - ACOs and shared savings programs
- **Boards and Commissions**
 - Patient Centered Outcomes Research Institute (PCORI)
- **Value-Based Provider Payments for Quality Outcomes**



Health Care Reform: Center for Medicare & Medicaid Innovation (CMI)

- **Established in 2010 with funding of \$10 billion for 2011-2019**
- **CMI will test innovative payment and service delivery models to reduce program expenditures while preserving or enhancing quality of care**
- **How can CMI best meet the demands of health care reform?¹**
 - Clear templates for evaluation and common core set of metrics
 - Quality measures, such as the physician quality reporting initiative (PQRI)
 - Design and implement projects with end goals and evaluation in mind
 - Continuous, real-time evaluation through improved data, information exchanges, and pre-post research designs
 - Alignment with other reforms (e.g., health information technology, PCORI, demonstration projects)



¹ Brookings Institution, Engelberg Center for Health Care Reform (2010). Accelerating health care innovation to improve quality and lower costs: The role of the Center for Medicare and Medicaid Innovation.

Health Care Reform: Payment Bundling and ACOs Currently on Separate Tracks

- **Private sector development of ACO models, supported by the Brookings Institution and the Dartmouth Institute for Health Policy and Clinical Practice**
 - ACOs consist of providers who are jointly held accountable for achieving measured quality improvements and reductions in the rate of spending growth;¹ rewarded through shared savings program
- **Government-funded research on episode-based payments and post-acute care bundling**
- **Do they overlap?**
 - “Episode-based payment reforms may work more effectively if they are coupled with initiatives and incentives that pay more when reductions in the rates of some types of episodes (such as surgeries for chronic diseases or hospitalizations for heart disease) actually occur”¹



¹ McClellan, M., et al. (2010). A national strategy to put accountable care into practice. Health Affairs 29(5): 982-990.

Payment System Objectives

- **Easy to understand**
- **Simple to administer**
- **Coherent clinically**
- **Accurate in payments**
- **Appropriate provider incentives**
- **Adequate payment to providers to assure beneficiary access and, at the same time, ensure Medicare is a value-based purchaser**



Accountable Care Organizations (ACOs)

- **Notice of Proposed Rulemaking (NPRM)**
 - March 31, 2011

- **Three Part Objective:**
 - Better care for individuals
 - Better health for populations
 - Lower growth in expenditures
 - Medicare and other payers



What is a Medicare ACO?

- **Primary-care centric:**

- Means beneficiaries are assigned to ACOs based on contacts with primary care physicians
- ACOs must have a sufficient number of **primary care** physicians so that at least 5,000 beneficiaries can be assigned to the ACO
- The ACO's primary care physicians must be **exclusive** to that ACO
- At least 50% of the ACO's primary care physicians must be meaningful EHR users by the start of the 2nd reporting period



Who May “Participate” in a Medicare ACO?

- **Participants work together to manage and coordinate care for Medicare beneficiaries**
- **Participants include, but are not limited to, physicians and hospitals**
- **Participants can include other providers – but these are not emphasized in the NPRM**



Features of a Medicare ACO

- **Under the NPRM, ACOs will have:**
 - Shared governance that provides all ACO participants with an appropriate proportionate control over the ACO's decision-making process
 - A fee-for-service payment basis
 - Freedom of choice for designated patients
 - Savings based on overall cost control and attainment of 65 quality measures within five domains



Social Workers and ACOs

- **ACOs are primary care centric**
- **All types of providers will need to demonstrate value to be part of the ACO team**
- **Can social workers improve quality and reduce overall ACO expenditures commensurate with payments to social workers?**
- **Workforce issues would relate to new clinical needs of ACOs if they “take off”**



What is a Payment Bundle: Do We Want It?

- **Payment system reform has long been used by CMS to provide incentives for increased efficiency in health care delivery**
- **ACA contains a provision for bundling acute care hospital and post-acute care payments for an episode**
- **The ultimate goal of a bundled payment is three-fold:**
 - To provide care in the most cost-effective setting, hence improving system efficiency with less reliance on FFS payments
 - To reduce hospital readmissions
 - To drive quality improvement through enhanced coordination of care (e.g., ACOs)



What Issues Need to be Resolved Before Payments can be Bundled?

- **Defining the payment amounts**
 - How is the bundle defined? What is the role of physicians?
 - How are overall bundled payment amounts set?
 - How are bundles risk-adjusted?
 - What other payment adjustments are necessary (e.g., wage adjustment)?
 - What payment transition methods will be used (e.g., various blends of current and proposed payments)?
- **Deciding who to pay**
 - Who receives the payment (e.g., professional versus facility payments)?
 - How are the payments distributed within the bundle (e.g., transfer prices between providers)?
 - Joint venture arrangements and other management models
 - Coordination of care across geographic regions



What Issues Need to be Resolved Before Payments can be Bundled? (cont'd)

- **What are the incentives for physicians? For facilities?**
 - Individual provider care quality and volume
 - Coordination of care quality and volume across providers
- **What are the implications of bundling?**
 - Changes in:
 - Management structures
 - Capacity
 - Cost-savings
 - Quality
 - Outcomes
 - Workforce
 - Etc.



Payment Bundling

- **Social work services could be considered part of the bundle, but is not currently recognized**
- **Initial payment bundles will be hospital and post-acute care oriented. Physicians may be added. Other providers, however, are less likely to be explicitly added over the near term.**



Transitions & Care Coordination

- **Dr. Eric Coleman: Care Transition Intervention**
 - Patient Self-management
 - Personal Health Record
 - Primary Care Physician follow-up
 - Transition Coach (ensures continuity of care)

- **Dr. Mary Naylor: Transitional Care Model**
 - Identification of high risk factors
 - Early identification of problems
 - Collaborations with all care providers
 - Continuity of care



Similarities of Two Models

- **For patients who are complex or fragile**
- **Continuity of care between settings**
- **Interdisciplinary collaboration**
- **Medication reconciliation**
- **Regular timed follow-up post hospitalization**



Discussion

