

Five Years of The Affordable Care Act: Progress to Date & Opportunities Ahead

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Region IX

The U.S. Department of Health and Human Services

Arizona, California, Hawaii, Nevada, American Samoa, Commonwealth of the Northern Mariana Islands, Federated States of Micronesia, Guam, Marshall Islands, and Republic of Palau

Focus:

Regional staff are the connection between regional stakeholders and the Department. There are Outreach & Education Professionals, Program & Project Officers, Caseworkers, Inspectors, and Auditors, who understand the region, its people, its cultures, and its needs.

Representation:

- Administration for Children and Families
- Administration for Community Living
- Assistant Secretary for Preparedness and Response
- Agency for Toxic Substances Disease Registry
- Centers for Disease Control and Prevention
- Centers for Medicare and Medicaid Services
- Food and Drug Administration
- Health Resources Services Administration
- Indian Health Service
- Office of the Assistant Secretary for Health
- Office of Civil Rights
- Office of the Inspector General
- Substance Abuse and Mental Health Services Administration

FRAMEWORK FOR MEASURING IMPACT OF THE AFFORDABLE CARE ACT



Affordability



Access



Quality

Affordability

- Under the ACA, we've seen the **slowest growth** in the prices of health care goods and services **in nearly 50 years**.
- Nationally, in 2013, health care spending grew at 3.6% the **lowest rate on record since 1960**.
 - New Report Shows Costs growing on average 5.8% between 2014-2024 Nationally, compared to 9% average in prior period
- The ACA has increased competition, **keeping costs low**.
 - On average, Covered California's premiums will increase 4 percent, lower than last year's increase of 4.2 percent
 - Oscar Health Plan of California and United Healthcare joined for some CA regions

Medicare per capita spending growth is low, keeping **Part B premium increases low**.

Access

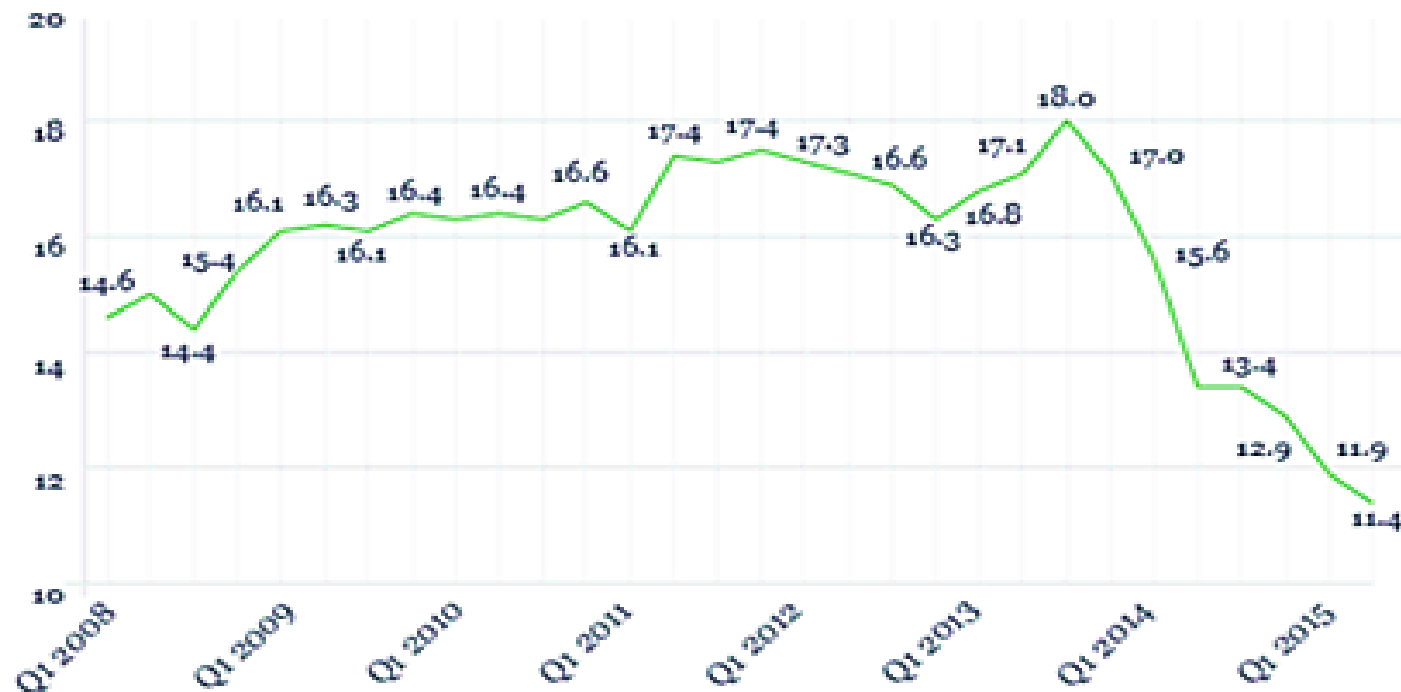
- With 5 Years of ACA coverage expansion, 16.4 million previously uninsured people have health coverage in our country
- The Nation's **uninsured rate** is now at or near the **lowest level** recorded across five decades of data
 - In California, almost 1.4 Million **Covered California** plan selections were made
 - Since 2013, Medi-Cal enrollment has increased by approximately 3.5 million lives
- Consumer Satisfaction with Plans Offered is High
- Access to coverage is a **first step**, and it is critical that **access to care** follows.
 - *Access to high quality, coordinated, high value health care services is what ultimately leads to better health for all Americans and is central to the ACA.*
 - *Recent CMS Proposed Rule Modernizing Medicaid and CHIP Managed Care Framework*

Uninsurance Rate Drops to 11.4%

Percentage Uninsured in the U.S., by Quarter

Do you have health insurance coverage?
Among adults aged 18 and older

■ % Uninsured



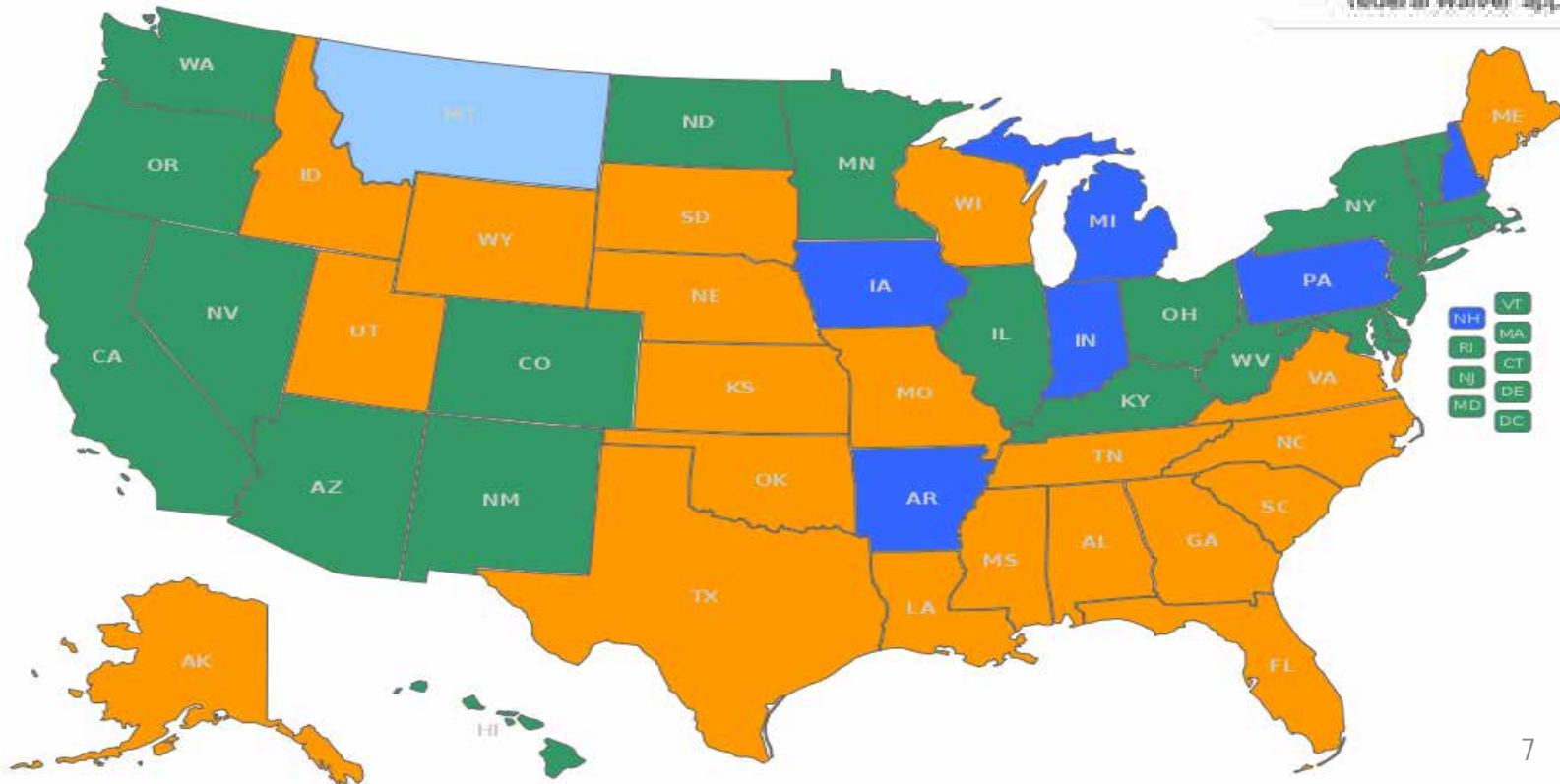
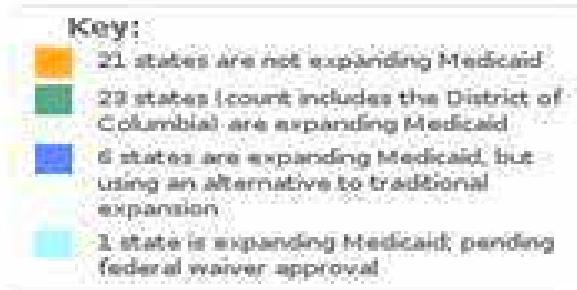
Source: Gallup Healthways Wellbeing Index, July 10, 2015.

States with Medicaid Expansion

July, 2015

Map: Where States Stand on Medicaid Expansion Decisions

*Map updated July 10, 2015



Benefits of Expanding Medicaid for State Economies

- ü Higher Standard of Living for Low-Income Individuals and Families
- ü Maintenance of the Safety Net
- ü Economic Resilience for Individuals and Families
- ü Healthier, More Productive Workers

ACA Impact on Jobs

Ø ADP study of 75,000 clients found **no change in employees' work schedules** between 2013 and 2014.



Ø AEI study showed **proportion of part-time workers unchanged** in anticipation of ACA implementation

Coverage to Care to... HEALTH

- **White House/HHS/Surgeon General Healthy Self Initiative**
 - Building on coverage gains to build health
 - Emphasizing primary care and preventive services, individual health and wellness, and community health
- **Health Insurance Literacy**
 - Department of Education report showed 1 in 10 Americans have proficient level of “health literacy”
 - Language and cultural barriers add to confusion
 - IOM found that patients with low health literacy are more likely to be hospitalized and have more ER visits
 - Goal of helping people understand health insurance and how to use it
- **Connecting to Needed Health Services**
 - Knowing how to utilize the health system
 - Ongoing Primary Care and Prevention
 - Chronic Care Management

Quality

Improvements in quality under the ACA:

- Medicare Readmissions  by **Approximately 8%**
- Hospital Acquired Conditions  **17%** for Medicare Beneficiaries
 - Ø50,000 fewer deaths and \$12 billion saved
- HRSA provided **\$43.7M in performance based quality awards** to community health centers across the country
 - California received 135 awards totaling over **\$8.5 million**

DELIVERY SYSTEM REFORM

We are taking action to build on progress made in improving health care so patients and their families can get the best care possible. Our goal is to spend our health care dollars more wisely, so—ultimately—people can live healthier lives.

- HHS is committed to **Delivery System Reform** to accelerate achievement of the overarching goals of **better care, smarter spending** and **healthier people**.
- Delivery System Reform includes three key areas: **care delivery, incentives** and **information**.

DELIVERY SYSTEM REFORM

CARE DELIVERY

- Coordination and integration across care settings
 - Patient-centered **Medical Homes**
 - **Chronic care** management
 - Physical and Behavioral health **integration**
 - Acute care, skilled nursing and home care
- Population health improvements
 - Smarter care delivery, team-based approach, patient centered
 - Treating the whole patient and all her **non-medical** needs
 - Public health and **population-based** strategies; emphasis on prevention
 - Surgeon General Priorities: tobacco prevention; mental health; Rx drug abuse; violence prevention; nutrition; walkability
- Patient Engagement in decision-making

Delivery System Reform

Primary Health Care Workforce Development

- National Health Service Corps More Than Doubled in Five Years
- Training New Primary Care Providers
- Supporting Mental and Behavioral Health Training
- Supporting Geriatrics Training
- Expanding Training of Advanced Practice Nurses

President's FY 2016 Budget Invests in Primary Care

\$14.6 Billion in New Primary Care Programs

Ø\$4 billion for the National Health Service Corps

Ø\$5.2 billion for Graduate Medical Education (GME)
in Primary Care

Ø\$5.4 billion for enhanced Medicaid
reimbursements for primary care.

Primary Care Workforce Development

Ø Encouraging Physician Training
in the Community

Ø Encouraging Health Homes

ü Promoting Use of CHWs

Community Health Workers & Health Reform Federal Activities

- CMS Innovations Center Grants
- HRSA
- CDC
- Review of Region IX Activities

DELIVERY SYSTEM REFORM

PAYMENT INCENTIVES

Rewarding value and care coordination –not volume and care duplication

- Goals Include:
 - **Tying** traditional Fee for Service Medicare payments to **quality** or value through alternative payment models.
 - 30% by the end of 2016 and
 - 50% by the end of 2018
 - **Tying** traditional Medicare payments to **quality** or value through programs such as the Hospital Value Based Purchasing and Hospital Readmissions Reduction programs.
 - 85% by the end of 2016 and
 - 90% by the end of 2018
- Medicare **Pioneer ACO Model** & **Shared Savings Program** have saved \$411M while maintaining or improving quality; allows doctors and hospitals to share in savings; first model to meet stringent tests for expansion
- “**Health Care Payment Learning and Action Network**” was launched to expand alternative payment models beyond the Medicare and Medicaid programs. ¹⁸

Better Aligning Primary Care Payments with Goals

Ø Primary Care Payment Incentives

- Medicare from 2011 to 2015
- Medicaid from 2013 to 2014

Ø Improving Primary Care Physician Fee Schedule

Ø Realignment financial incentives in Accountable Care Organizations (ACOs)

DELIVERY SYSTEM REFORM

INFORMATION

Distributing information to where it needs to be to support high quality care and greater transparency.

- Electronic Health Records (EHRs).
 - Bring electronic health information to the point of care so health information is available when and where it is needed.
 - Recent HHS proposed rules for comment on meaningful use and interoperability to address provider requests for simplification and greater flexibility
- Access to Cost, Charge, and Quality Data
 - *Physician Compare*
 - *Hospital Compare*
 - *Charge Data for Hospital and Physician Services*
 - *Qualified Entity Program*

KEY DELIVERY SYSTEM REFORM INITIATIVES

- ü Bundled Payments for Care Improvement Initiative (BPCI)
- ü Medicare Care Choices Model Awards
- ü Comprehensive Care for Joint Replacement
- ü Value-Based Home Health Care
- ü Accountable Care Organization (ACO) Investment Model
- ü Million Hearts : Cardiovascular Disease Risk Reduction Model
- ü Transforming Clinical Practices Initiative

CMS Innovation Center

The CMS Innovation Center was created by the Affordable Care Act to develop, test, and implement new payment and delivery models.



- ü Invests \$10 billion over 10 years to test innovations that improve the quality of care and/or increase cost efficiency
- ü Innovations will produce return on investment and reduce Medicare and Medicaid spending over the long-term.
- ü New CMMI Pilot to test Paying for Prevention with a Medicare Value-Based payment for Cardiovascular Risk Reduction



CMMI Innovations Portfolio

I. Accountable Care Organizations (ACOs)

- Medicare Shared Savings Program (Center for Medicare)
- Pioneer ACO Model
- Advance Payment ACO Model
- Comprehensive ERSD Care Initiative

II. Primary Care Transformation

- Comprehensive Primary Care Initiative (CPC)
- Multi-Payer Advanced Primary Care Practice (MAPCP) Demonstration
- Federally Qualified Health Center (FQHC) Advanced Primary Care Practice Demonstration
- Independence at Home Demonstration
- Graduate Nurse Education Demonstration

III. Bundled Payment for Care Improvement

- Model 1: Retrospective Acute Care
- Model 2: Retrospective Acute Care Episode & Post Acute
- Model 3: Retrospective Post Acute Care
- Model 4: Prospective Acute Care

IV. Capacity to Spread Innovation

- Partnership for Patients
- Community-Based Care Transitions Program
- Million Hearts

V. Health Care Innovation Awards (Rounds 1 & 2)

VI. State Innovation Models Initiative

VII. Initiatives Focused on the Medicaid Population

- Medicaid Emergency Psychiatric Demonstration
- Medicaid Incentives for Prevention of Chronic Diseases
- Strong Start Initiative

VIII. Initiatives Focused on the Medicare Population

- Medicare Intravenous Immune Globulin Demo
- Medicare Acute Care Episode Demonstration
- Medicare Imaging Demo

IX. Medicare-Medicaid Enrollees

- Financial Alignment Initiative
- Initiative to Reduce Avoidable Hospitalizations of Nursing Facility Residents

Innovation in Primary Care Delivery

Testing Care Models – CMS Innovation Center

- Ø Comprehensive Primary Care Initiative
- Ø Multi-payer Advanced Primary Care Practice Demonstration
- Ø Independence at Home

Million Hearts® Cardiovascular Disease Risk Reduction Model

Heart attack and stroke are leading causes of death and disability.

- **In the past**

- Risk reduction focus on same process measures for every patient
- Risk factors discussed as independent conditions rather than risk factors contributing to heart attacks and stroke
- Patients are unaware of actual risks of heart attack and stroke

- **What the model will change**

- Uses data-driven, individualized 10-year risk score for heart attack and stroke to each beneficiary
- Providers get value-based payment depending on absolute risk drop across entire panel, necessitating population health management

This Program begins in January 2016

Million Hearts® Cardiovascular Disease Risk Reduction Model

Risk Estimator – Examples of Use

Verizon 9:56 PM

Estimator Clinicians Patients About

ASCVD Risk Estimator*

10-Year ASCVD Risk
59.9% calculated risk
7.8% risk with optimal risk factors**

Lifetime ASCVD Risk
Lifetime Risk Calculator only provides lifetime risk estimates for individuals 20 to 59 years of age.

Recommendation Based On Calcul... >

HDL - Cholesterol (mg/dL)

Systolic Blood Pressure

Treatment for Hypertension Y N

Diabetes Y N

How Risk Calculators Enhance High Value Care:

For example, Joe Smith is a 65 year old African American man who smokes, has elevated cholesterol, and a borderline elevated blood pressure. His 10-year risk is 31.1% percent (high). Alan Jones is a 66 year old white man with mildly elevated blood pressure (e.g. SBP 135 mm Hg), but no other risk factors, so his 10-year-risk is 11% (low). Treating Joe Smith's blood pressure (though traditionally valued the same by current one-size-fits-all pay for performance approach) has a much larger impact on risk of ASCVD than treating Alan Jones's blood pressure—and the provider is rewarded more for intervention.

Partners Aligned for the Future

- **Affordable Care Act:** Affordability, Access, Quality
- **Delivery System Reform:** Better Care, Better Value, Better Health
- **Health Care Workforce:** Focused on Better Care, Better Value and Better Health for Individuals and Communities

Thank you!

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