Shaping the future of Aging in Place

• An understanding of factors that allow people to
  – remain in their private homes or community are needed
  – that show *improved outcomes and cost-savings* to providers
  – in all demographic *populations for people with disabilities and for people who are aging.*

• The panelist will address the type of research needed to confirm costs and benefits in order to inform regulatory agencies and funding agencies.
Size and Scope of CMS Responsibilities

• CMS is the largest purchaser of health care in the world (approx $900B per year)

• Combined, Medicare and Medicaid pay approximately one-third of national health expenditures.

• CMS programs currently provide health care coverage to roughly 105 million beneficiaries in Medicare, Medicaid and CHIP (Children’s Health Insurance Program); or roughly 1 in every 3 Americans.

• The Medicare program alone pays out over $1.5 billion in benefit payments per day.

• Millions of consumers will receive health care coverage through new health insurance programs authorized in the Affordable Care Act.
The “3T’s” Road Map to Transforming U.S. Health Care

Key T1 activity to test what care works

Clinical efficacy research

Key T2 activities to test who benefits from promising care

Outcomes research
Comparative effectiveness research
Health services research

Key T3 activities to test how to deliver high-quality care reliably and in all settings

Quality Measurement and Improvement
Implementation of Interventions and health care system redesign
Scaling and spread of effective interventions
Research in above domains

Value-Based Purchasing Program Objectives over Time Towards Attainment of the Three-part Aim

**Initial programs**
FY2012-2013

- Limited to hospitals (HVBP) and dialysis facilities (QIP)
- Existing measures providers recognize and understand
- Focus on provider awareness, participation, and engagement
- SNF and HH VBP Plans

**Near-term programs**
FY2014-2016

- Expand to include physicians
- New measures to address HHS priorities
- Increasing emphasis on patient experience, cost, and clinical outcomes
- Increasing provider engagement to drive quality improvements, e.g., learning and action networks

**Longer-term FY2017+**

- VBP measures and incentives aligned across multiple settings of care and at various levels of aggregation (individual physician, facility, health system)
- **Measures are patient-centered and outcome oriented**
- Measure set addresses all 6 national priorities well
- Rapid cycle measure development and implementation
- Continued support of QI and engagement of clinical community and patients
- Greater share of payment linked to quality

**Vision for VBP**
CMS Activities on Patient Reported Outcome Measures

- In 2012, CMS funded the NQF to develop guidance on development of PROMs.
- CMS currently uses a number of PROMs in our clinician reporting programs (e.g. depression, functional status).
- CMS and HHS working to identify existing PROMs that can be rapidly incorporated into our quality reporting programs, including the ACO program and CMMI models.
- CMS and ONC are currently developing PROMs for the hospital and outpatient setting:
  - Disease-specific functional status
  - General functional status
- CMS now includes patients in all measure development work, in order to understand the outcomes that are most important to patients and families.
The Preferred Road to Coverage

Provide adequate evidence that...

**Diagnostics**
- The *incremental information* obtained by new diagnostic technology compared to alternatives
- Changes *physician/clinician* recommendations
- Resulting in *changes in therapy*
- That *improve clinically meaningful health outcomes*

**Therapeutics**
- A *treatment strategy* using the new therapeutic technology compared to alternatives
- Leads to *improved clinically meaningful health outcomes*

*In Medicare beneficiaries*
The CMS Innovation Center

Identify, Test, Evaluate, Scale

The purpose of the [Center] is to test innovative payment and service delivery models to reduce program expenditures…while preserving or enhancing the quality of care furnished to individuals under such titles.

- The Affordable Care Act
Delivery system and payment transformation

**Historical State** –
Producer-Centered
Volume Driven
Unsustainable
Fragmented Care
FFS Payment Systems

**Future State** –
People-Centered
Outcomes Driven
Sustainable
Coordinated Care

**New Payment Systems and other Policies**
- Value-based purchasing
- ACOs, Shared Savings
- Episode-based payments
- Medical Homes and care mgmt
- Data Transparency
CMS Innovations Portfolio: Testing New Models

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

**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

**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

**Health Care Innovation Awards**
- Partnership for Patients
- Community-Based Care Transitions
- Million Hearts

**State Innovation Models Initiative**

**Initiatives Focused on the Medicaid Population**
- Medicaid Emergency Psychiatric Demonstration
- Medicaid Incentives for Prevention of Chronic Diseases
- Strong Start Initiative

**Medicare-Medicaid Enrollees**
- Financial Alignment Initiative
- Initiative to Reduce Avoidable Hospitalizations of Nursing Facility Residents

**Capacity to Spread Innovation**
• An understanding of factors that allow people to
  – remain in their private homes or community are needed
  – that show improved outcomes and cost-savings to providers
  – in all demographic populations for people with disabilities and for people who are aging.

• The panelist will address the type of research needed to confirm costs and benefits in order to inform regulatory agencies and funding agencies.
Thank You!

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