

HEALTH MANAGEMENT ASSOCIATES

Joint Medicaid Oversight Committee
Overview of Value-Based
Payments Across the
System

June 16, 2016

HealthManagement.com

Our Firm

- We are a leading independent, national health care research and consulting firm providing technical and analytical services.
 - We specialize in publicly-financed health programs, delivery system and payment reform, and public policy.
 - We work with a broad range of health care stakeholders: payers, purchasers, providers, policy-makers, program evaluators, investors and others.
 - We analyze, advise, facilitate, design, implement and evaluate
- Our strength is in our people, and the experience they bring to the most complex issues, problems, and opportunities.

Distinct Expertise

- Federal, state and local health policy reforms
- Medicaid, Medicare, CHIP Uninsured
- State and Federal Marketplaces (Insurance Exchanges)
- Managed Care
- Accountable Care and Integrated Delivery Systems
- Health workforce



- Models of care
- Health Information technology
- Behavioral health
- Pharmacy
- Long-term services and supports
- Correctional health

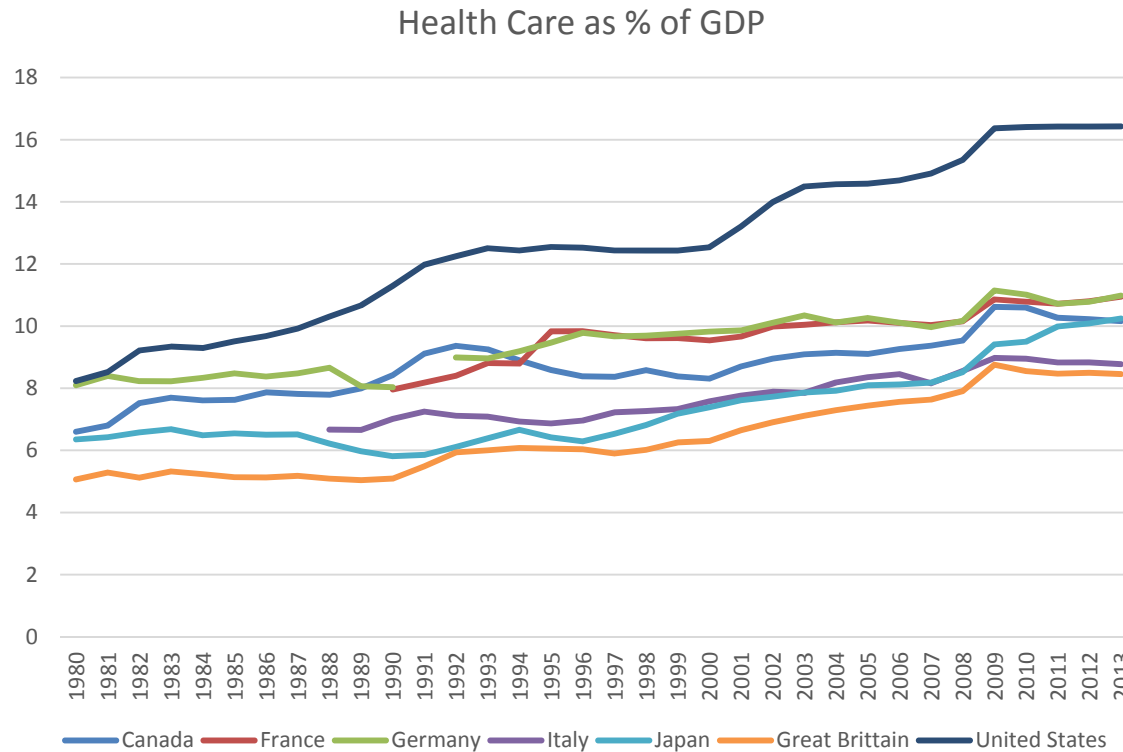
HMA Community
Strategies

HMA Accountable
Care Institute

HMA Investment
Services

WHY VALUE BASED PAYMENT?

International Comparison of Spending on Health from 1980-2013

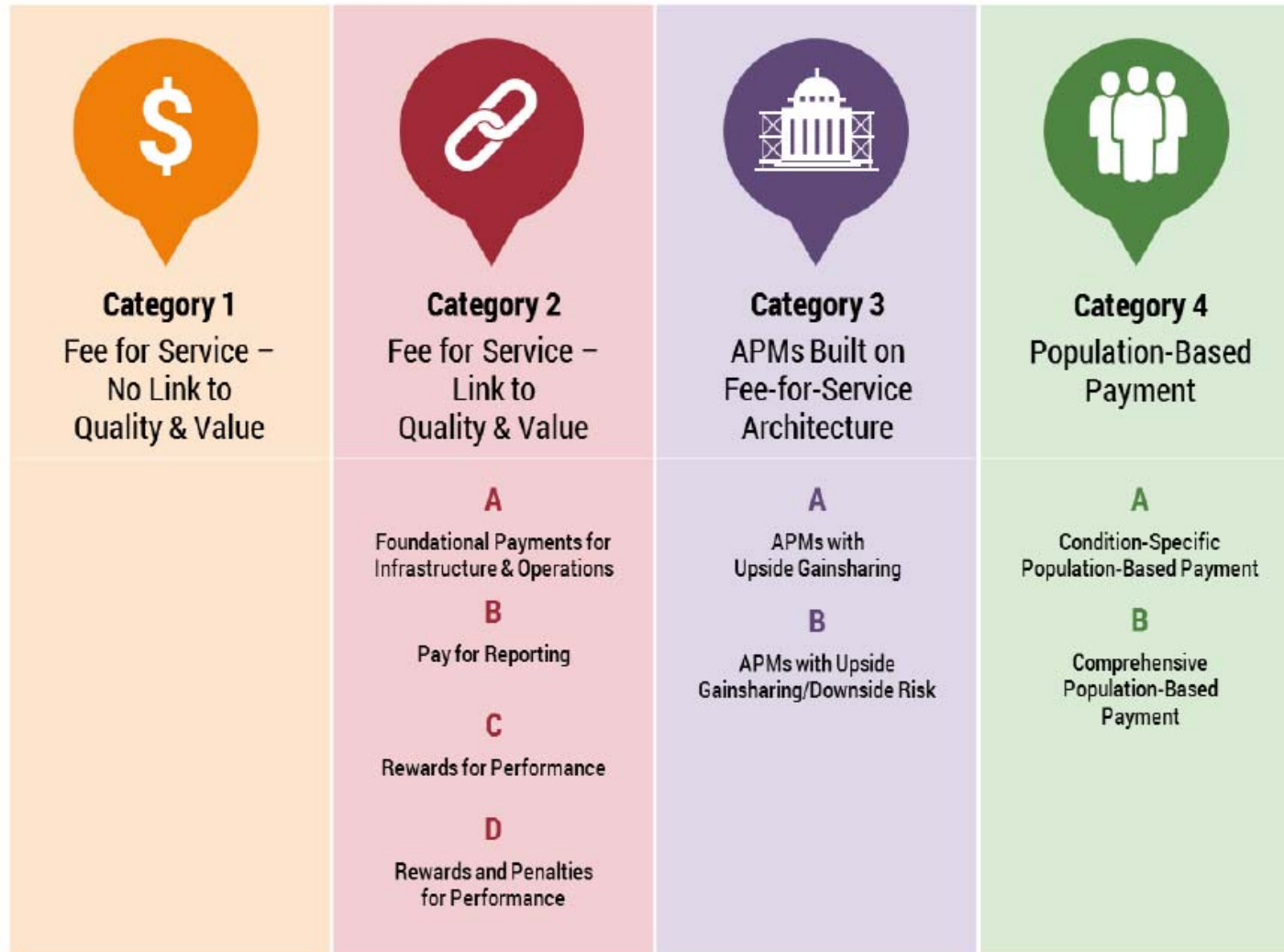


Source: OECD.StatExtracts (Organisation for Economic Co-operation and Development)
<http://data.oecd.org/healthres/health-spending.htm>

Alternative Payment Models Framework

THE VALUE-BASED MOVEMENT

Health Care Payment Learning Action Network- APM Framework



Population Based Payments (Category 4)

- Population based payments, structured to encourage providers to deliver well-coordinated, high quality person level care within a defined or overall budget
- Payments cover a wide range of preventive health, health maintenance, and health maintenance services
- Ideally, providers are paid to maintain health and manage illness for an entire population
- Examples include:
 - Bundled payments for cancer care, when providers are responsible for the total cost and quality of care, rather than just covering chemotherapy payments
 - Fully integrated plan-provider relationships

Category 4 Key Considerations

- Defining the population that will be covered under the payment model
 - Will there be population exclusions?
 - Limit by condition or health need (i.e. chronic disease, pregnant women, BH co-morbidity)
- How to attribute members to providers.
- What services are included under the population-based payment, which are excluded?

Issues in Using the APM Framework

- Risk Stratification with complex populations
- Regression to the mean
- Prescriptiveness from payers to providers
- Payment reform won't work in isolation

MACRA



- Medicare Access and CHIP Reauthorization Act of 2015
- Proposed Rules issued in April 2016 (comments due June 27, 2016)
- Two Payment Pathways for Physicians
 - Alternative Payment Models (APMs)
 - Merit-Based Payment Systems (MIPS)

CMMI

- Center for Medicare and Medicaid Innovation
 - Portfolio of 70 innovation models
 - Accountable Care
 - Episode-based Payment Initiatives
 - Primary Care Transformation
 - Initiatives Focused on the Medicaid and CHIP Population
 - Initiatives Focused on Dual Eligibles
 - Initiatives to Accelerate the Development and Testing of New Payment and Service Delivery Models
 - Initiatives to Speed the Adoption of Best Practices

Will the push for Value-Based Payment sustain?

Yes. Why?

- Healthcare Spend/GDP 
- Information 
- Empowered Consumers 