Learning Objectives:

• Recognize characteristics of the evolving delivery system and ideal future state.
• Describe the system reform framework for future state provider payment models.
• Recognize and understand the CMS Child Core Set.
• Recognize pediatric opportunities in health system transformation and access to high quality care.
Overview

Delivery System Reform and Our Goals

CMMI and Medicaid Pediatric Slides

CMS Innovation Center

CMS support of health care Delivery System Reform will result in better care, smarter spending, and healthier people

Historical state  Evolving future state

Public and Private sectors

Key characteristics
- Producer-centered
- Incentives for volume
- Unsustainable
- Fragmented Care

Key characteristics
- Patient-centered
- Incentives for outcomes
- Sustainable
- Coordinated care
The framework is a critical first step toward the goal of better care, smarter spending, and healthier people:

- Serves as the foundation for generating evidence about what works and lessons learned
- Provides a roadmap for payment reform capable of supporting the delivery of person-centered care
- Acts as a "gauge" for measuring progress toward adoption of alternative payment models
- Establishes a common nomenclature and a set of conventions that will facilitate discussions within and across stakeholder communities.

The framework situates existing and potential APMs into a series of categories.
The Health Care Payment Learning and Action Network will accelerate the transition to alternative payment models

- Medicare alone cannot drive sustained progress towards alternative payment models (APM)
- Success depends upon a critical mass of partners adopting new models
- The network will
  - Convene payers, purchasers, consumers, states and federal partners to establish a common pathway for success
  - Collaborate to generate evidence, shared approaches, and remove barriers
  - Develop common approaches to core issues such as beneficiary attribution
  - Create implementation guides for payers and purchasers
- Accomplishments
  - Common definitions for alternative payment models and agreement to report publicly
  - Population-based payment and episode-based payment model workgroups and now focused on implementation

Network Objectives

- Match or exceed Medicare alternative payment model goals across the US health system - 30% in APM by 2016
- Shift momentum from CMS to private payer/purchaser and state communities
- Align on core aspects of alternative payment design

Delivery System Reform and Our Goals

CMS and Medicaid Pediatric Slides

CMS Innovation Center
Current status
- Currently, 31 states + DC are covering the ACA Medicaid expansion group
Historically Low Uninsured Level

- The coverage gains since the end of 2013 are the most rapid since the decade following the creation of Medicare and Medicaid, and the uninsured rate is now below 10 percent for the first time ever.

Source: United States Health Care Reform: Progress to Date and Next Steps
JAMA. Published online July 11, 2016. doi:10.1001/jama.2016.9797

Figure 1: Rate of Uninsured Children from 2008-2014

* Change is significant at the 90% confidence level. 2013 was the only year that did not show a significant one-year decline in the national rate of uninsured children.

Together, Medicaid and the Children’s Health Insurance Program (CHIP) served more than 43 million children in federal fiscal year (FFY) 2014, representing more than 1 in 3 children in the United States. Medicaid and CHIP play a key role in ensuring that low-income children get health care coverage, access to a comprehensive set of benefits, and other medically necessary services.

CMS’s 2014 core set of health care quality measures for children in Medicaid and CHIP (referred to as the Child Core Set) includes 23 measures that address the following domains of care:

- Primary Care Access and Preventive Care
- Perinatal Care
- Care of Acute and Chronic Conditions
- Behavioral Health Care
- Dental and Oral Health Services

The information presented is abstracted from the 2015 Annual Secretary’s Report on the Quality of Care for Children in Medicaid and CHIP, which is available online at https://www.medicaid.gov/medicaid-chip-program-information/by-topics/quality-of-care/downloads/2015-child-sec-rept.pdf.

**Median Performance Rates on Frequently Reported Child Core Set Measures, FFY 2014**

<table>
<thead>
<tr>
<th>Measure</th>
<th>State Median</th>
<th>2014 Median</th>
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</thead>
<tbody>
<tr>
<td>Access to Primary Care Practitioners: 12-24 Months</td>
<td>96.4</td>
<td>96.6</td>
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<tr>
<td>Access to Primary Care Practitioners: 25 Months-6 Years</td>
<td>91.2</td>
<td>90.6</td>
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<tr>
<td>Access to Primary Care Practitioners: 7-11 Years</td>
<td>86.6</td>
<td>91.2</td>
</tr>
<tr>
<td>Well-Child Visits: 1-19 Months</td>
<td>67.4</td>
<td>64.7</td>
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<tr>
<td>Well-Child Visits: 20-36 Months</td>
<td>64.9</td>
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<tr>
<td>Adolescent Well-Care Visits</td>
<td>67.1</td>
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<tr>
<td>Immunization Status for Adolescents</td>
<td>42.6</td>
<td>48.3</td>
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<tr>
<td>Human Papillomavirus Vaccine for Female Adolescents</td>
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<tr>
<td>Chlamydia Screening: 15-20 Years</td>
<td>62.1</td>
<td>63.5</td>
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<tr>
<td>Body Mass Index Assessment</td>
<td>43.5</td>
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<tr>
<td>Timeliness of Prenatal Care Visits</td>
<td>68.3</td>
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<tr>
<td>Frequency of Ongoing Prenatal Care Visits</td>
<td>81.4</td>
<td>81.4</td>
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<tr>
<td>Low Births: Weighting Less than 2,500 Grams</td>
<td>9.0</td>
<td>9.0</td>
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<tr>
<td>Emergency Dept Visits (per 1,000 Enrollee-Months)</td>
<td>65.8</td>
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<tr>
<td>Medication Management for People with Adhd: 5-32 Years</td>
<td>9.0</td>
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<tr>
<td>Follow-Up After Hospitalization for Mental Illness: 7 Days</td>
<td>45.7</td>
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<tr>
<td>Follow-Up After Hospitalization for Mental Illness: 30 Days</td>
<td>43.9</td>
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<tr>
<td>Follow-Up Care for ADHD Medications: Initiation Phase</td>
<td>64.2</td>
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<tr>
<td>Follow-Up Care for ADHD Medications: C&amp;M Phase</td>
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<tr>
<td>Preventive Dental Services</td>
<td>22.3</td>
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<tr>
<td>Dental Treatment Services</td>
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<tr>
<td>Preventive Dental Services</td>
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<td>Dental Treatment Services</td>
<td>46.2</td>
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</tbody>
</table>

Sources: Mathematica analysis of FFY 2014 Child CARTS reports and Form CMS-416.

Notes: Includes measures that were reported by at least 25 states for FFY 2014.

*Lower rates are better for this measure. ADHD = Attention Deficit/Hyperactivity Disorder; C&M = Continuation and Maintenance.
The Innovation Center portfolio aligns with delivery system reform focus areas

<table>
<thead>
<tr>
<th>Focus Areas</th>
<th>CMS Innovation Center Portfolio*</th>
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</thead>
<tbody>
<tr>
<td><strong>Pay Providers</strong></td>
<td>Test and expand alternative payment models</td>
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<tr>
<td></td>
<td>• Accountable Care</td>
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<td></td>
<td>- Pioneer ACO Model</td>
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<td></td>
<td>- Medicare Shared Savings Program (housed in Center for Medicare) and MSSP +1</td>
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<td></td>
<td>- Comprehensive ESRD Care Initiative</td>
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<td></td>
<td>- Next Generation ACO</td>
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<td>• Primary Care Transformation</td>
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<td></td>
<td>- Comprehensive Primary Care Initiative (CPC) &amp; CPC+ Demonstration</td>
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<td></td>
<td>- Multi-Payer Advanced Primary Care Practice (MAPCP) Demonstration</td>
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<td>- Independence at Home Demonstration</td>
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<td>- Graduate Nurse Education Demonstration</td>
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<td>- Home Health Value Based Purchasing</td>
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<td>- Medicare Care Choices</td>
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<td>- Frontier Community Health Integration Project</td>
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<td>- Medicare Diabetes Prevention Program</td>
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<td>• Bundled payment models</td>
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<td>- Bundled Payment for Care Improvement Models 1-4</td>
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<td></td>
<td>- Oncology Care Model</td>
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<td></td>
<td>- Comprehensive Care for Joint Replacement</td>
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<td></td>
<td>• Initiatives Focused on the Medicaid</td>
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<td></td>
<td>- Medicaid Incentives for Prevention of Chronic Diseases</td>
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<td>- Strong Start Initiative</td>
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<td></td>
<td>- Medicaid Innovation Accelerator Program</td>
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<td>• Dual Eligible (Medicare-Medicaid Enrollees)</td>
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<td></td>
<td>- Financial Alignment Initiative</td>
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<td>- Initiative to Reduce Avoidable Hospitalizations among Nursing Facility Residents</td>
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<td>- Integrated ACO</td>
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<td></td>
<td>• Medicare Advantage (Part C) and Part D</td>
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<td></td>
<td>- Medicare Advantage Value Based Insurance Design Model</td>
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<td>- Part D Enhanced Medication Therapy Management</td>
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<td></td>
<td>• Medicaid and Medicare pediatric services</td>
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<td>- Medicaid Incentives for Prevention of Chronic Diseases</td>
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<td></td>
<td>• Direct Care and Payment Initiative</td>
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<td>• Transformers for Patients</td>
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<td>• Transforming Clinical Practice</td>
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<td>• Accountable Health Communities</td>
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<td>• State Innovation Models Initiative</td>
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<td>- SIM Round 1</td>
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<td>- SIM Round 2</td>
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<td>- Maryland All-Payer Model</td>
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<td>- Vermont All-Payer ACO Model</td>
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<td>• Million Hearts Cardiovascular Risk Reduction Model</td>
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<td><strong>Deliver Care</strong></td>
<td>Support providers and states to improve the delivery of care</td>
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<td>• Learning and Diffusion</td>
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<td>- Partnership for Patients</td>
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<td>- Transforming Clinical Practice</td>
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<td></td>
<td>• Health Care Innovation Awards</td>
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<td>- Maryland All-Payer Model</td>
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<td></td>
<td>- Vermont All-Payer ACO Model</td>
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<tr>
<td><strong>Distribute Information</strong></td>
<td>Increase information available for effective informed decision-making by consumers and providers</td>
</tr>
<tr>
<td></td>
<td>• Health Care Payment Learning and Action Network</td>
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<td></td>
<td>• Information to providers in CMMI models</td>
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<tr>
<td></td>
<td>• Shared decision-making required by many models</td>
</tr>
</tbody>
</table>

* Many CMMI programs test innovations across multiple focus areas
Healthcare Innovation Award Round 1 Pediatric Examples

Variety of pediatric awards, topics included: asthma, dental, and a few accountable care models.

Nationwide Children’s - Full risk, global capitation tied to quality for a portion of providers

Rainbow Babies / University Hospital of Cleveland - intensive training for community pediatric practices to help transition providers to new care delivery model. Asthma, behavioral health, medical complexity, ED diversion program, Shared Savings and pay for performance – under same ACO umbrella as adult SSP ACO

North Carolina – statewide health homes, Care Management fee linked to primary care

University of Texas Health Science Center – model to high-risk children in a medical home with both primary and specialty services

By their own evaluation, many Peds HCIA 1 awardees achieved saving. Official CMMI evaluation not complete.

Round 2 of the Health Care Innovation Awards shared goals with Round 1 but focused on four themes

- 39 projects awarded
- Increase focus on four areas that have high likelihood of driving health care system transformation and delivering better outcomes
  1. Reduce Medicare, Medicaid, and CHIP expenditure in outpatient and/or post-acute settings
  2. Improve care for populations with specialized needs
     - Including high-cost pediatric populations, children in foster care, and children at high risk for dental disease, adolescents in crisis, and pediatric providers who provide services to children with complex medical issues.
  3. Transform the financial and clinical models for specific types of providers and suppliers
  4. Improve the health of populations

- 27 states and the District of Columbia*
- Awards ranged from ~$2 M to $24 M
- 25% of awards and funding for Pediatric projects

* Darker colors on map represent more HCIA projects in that state
National Results on Patient Safety Substantial progress thru 2015, compared to 2010 baseline

- 21 percent decline in overall harm
- 125,000 lives saved
- $28B in cost savings from harms avoided
- 3.1M fewer harms over 5 years


Next Generation ACO Model builds upon successes from Pioneer and MSSP ACOs

Designed for ACOs experienced with coordinating care for patient populations
- 44 ACOs will assume higher levels of financial risk and reward than other Medicare ACO initiatives
- Model will test how strong financial incentives for ACOs can improve health outcomes and reduce expenditures
- Greater opportunities to coordinate care (e.g., telehealth & skilled nursing facilities)

Model Principles
- Prospective attribution
- Financial model for long-term stability (smooth cash flow, improved investment capability)
- Rewards quality
- Benefit enhancements that improve patient experience & protect freedom of choice
- Allows beneficiaries to choose alignment

44 ACOs spread among 20 states

Source: Centers for Medicare & Medicaid Services
The bundled payment model targets 48 conditions with a single payment for an episode of care
➢ Incentivizes providers to take accountability for both cost and quality of care
➢ Four Models
   - Model 1: Retrospective acute care hospital stay only
   - Model 2: Retrospective acute care hospital stay plus post-acute care
   - Model 3: Retrospective post-acute care only
   - Model 4: Prospective acute care hospital stay only
▪ 305 Awardees and over 1300 Episode Initiators as of July 2016

Duration of model is scheduled for 3 years:
▪ Model 1: Awardees began Period of Performance in April 2013
▪ Models 2, 3, 4: Awardees began Period of Performance in October 2013

Comprehensive Primary Care Plus (CPC+)

CMS’s largest-ever initiative to transform how primary care is delivered and paid for in America

GOALS
2. Empower practices to provide comprehensive care that meets the needs of all patients.
3. Improve quality of care, improve patients’ health, and spend health care dollars more wisely.

CARE TRANSFORMATION FUNCTIONS
- Access and continuity
- Care management
- Comprehensiveness and coordination
- Patient and caregiver engagement
- Planned care and population health

PARTICIPANTS AND PARTNERS
• 5 year model: 2017-2021
• Up to 5,000 practices in up to 20 regions
• Two tracks depending on practice readiness for transformation and commitment to advanced care delivery for patients with complex needs
• Public and private payers in CPC+ regions
• HIT vendors (official partners for Track 2 only)

PAYMENT REDESIGN COMPONENTS
PBPM risk-adjusted care management fees
Performance-based incentive payments for quality, experience, and utilization measures that drive total cost of care
For Track 2, hybrid of reduced fee-for-service payments and up-front “Comprehensive Primary Care Payment” to offer flexibility in delivering care outside traditional office visits
State Innovation Model grants have been awarded in two rounds

- CMS is testing the ability of state governments to utilize policy and regulatory levers to accelerate health care transformation

- Primary objectives include
  - Improving the quality of care delivered
  - Improving population health
  - Increasing cost efficiency and expand value-based payment

![Map of model states]

- Six round 1 model test states
- Eleven round 2 model test states
- Twenty one round 2 model design states

Maryland All-Payer Model reports $429 million in Medicare hospital cost savings over three years

- Maryland has the nation’s only statewide all-payer hospital global budget model

- The model tests whether hospital global budgets can achieve improvements in quality and reduce per capita hospital cost growth

- The All-Payer Model has positive results to date (2014-2016)
  - The state reports approx. $429 million in Medicare hospital cost savings
  - All-payer total hospital per capita cost growth significantly below the 3.58% target
  - 30-day all cause readmission rate fell from 1.2% to 0.4% above national rate

- Hospitals began moving into All-Payer Global Budgets in July 2014
  - 95% of Maryland hospital revenue will be in global budgets
  - All 47 MD hospitals have signed agreements

- Model was initiated in January 2014; five year test period
- Maryland has proposed building on existing global budgets, towards a population-based total cost of care model.
Medicaid Innovator Accelerator Program

- Announced July 2014 and represents over $100 million investment
- Partnership between Medicaid and CMMI
- Offering states technical assistance in:
  - Data analytics
  - Quality measures
  - Model development
  - Disseminating best practices
  - Rapid cycle evaluation
- Initial work may include changes in care delivery such as:
  - Substance Use Disorder (SUD) Changes in care delivery
  - Behavioral health
  - Long-term services and supports & community integration
  - Superutilizers
  - Perinatal and Child health

Accountable Health Communities Model

Population Health Model Addressing Health Related-Social Needs

Key Innovations
- Systematic screening of all Medicare and Medicaid beneficiaries to identify unmet health-related social needs
- Testing the effectiveness of referrals and community services navigation on total cost of care using a rigorous mixed method evaluative approach
- Partner alignment at the community level and implementation of a community-wide quality improvement approach to address beneficiary needs

Total Investment: $157 Million
Anticipated Number of Award Sites: 44
Transforming Clinical Practice Initiative is designed to help clinicians achieve large-scale health transformation

- The model will support over 140,000 clinician practices over the next four years to improve on quality and enter alternative payment models

- Two network systems have been created

  1) Practice Transformation Networks: peer-based learning networks designed to coach, mentor, and assist

  2) Support and Alignment Networks: provides a system for workforce development utilizing professional associations and public-private partnerships

Phases of Transformation

Transformation of Health Care at the Front Line

- At least six components
  - Quality measurement
  - Aligned payment incentives
  - Comparative effectiveness and evidence available
  - Health information technology
  - Quality improvement collaboratives and learning networks
  - Training of clinicians and multi-disciplinary teams

Source: P.H. Conway and Clancy C. Transformation of Health Care at the Front Line. JAMA 2009 Feb 18; 301(7): 763-5
### Importance of Front Line QI

- Pick projects that you are passionate about
- Select measures that are timely, matter to you and patients, and will drive better outcomes
- Test and Learn – rapidly
- Get solid grounding in QI methods (and research if you want to publish)
- Mentorship is critical
- There is no one path to success
- Build skills, learn, and add responsibility over time

### How world is changing for Pediatrics?

- Medicaid and Children’s Health Insurance Program in some states implementing programs based on Medicare value-based purchasing, Accountable Care Organizations, bundled payments and other programs
- Private payers following suit, e.g., “Alternative” contracts
- Increasingly your pediatric care will be reimbursed based on value, including quality metrics, care coordination, and cost reduction
Pediatric ACOs: Challenges and Opportunities

• Challenges
  – Payers (Medicaid and commercial) are state-based
  – Providers and Payers need large enough attributed population
  – Quality measures
• Opportunities
  – Coordinate care, especially for children with chronic conditions
  – Long-term dividends in quality and cost
  – Pediatrics naturally focuses on population health and prevention

Importance of Physician and Clinician Executive Leadership

➢ We are in a stage of fairly dramatic health system transformation
➢ Skills of past may not be what is needed for future
➢ Population health management, quality improvement, system redesign, collaborative teamwork, measurement and data feedback, and change management leadership are critical skills
➢ Physicians and other clinicians MUST help lead the change to achieve better care, smarter spending, and healthier people
➢ THANK YOU
Future of Health System

- Alternative payment models greater than 50% of payments
  - ACOs
  - Bundled Payments
  - Comprehensive Primary Care
  - Other APMs
- Private payer and CMS collaboration critical
- States and communities driving Innovation and delivery system reform
- Increasing integration of public health and population health with health care delivery system
- Patient-centered, coordinated care is the norm
- Focus on quality and outcomes

Role of Hospital Medicine

- Hospital Medicine now has specialty designation code from CMS
- Value-based purchasing programs continuing
  - CMS now making adjustments based on social and medical complexity
- Hospitalists are playing major role in driving bundled payment models and these models and opportunities are likely to grow over time
- Investments in primary care, community and state-based innovation can and should support hospitalists and better coordinated care
- Hospitalists can be major drivers and participants in ACOs and other population-based models
- Hospitalists increasingly playing role in post-acute care and specialty care
- Challenge/opportunity – how do we work together to define and implement the next generation of alternative payment models?
- Drive quality improvement, patient safety, and care coordination at local level
- Test models to better coordinate care for children with multiple chronic conditions
- Advocate at the national, state, & local policy level for child health
- Take the Lead in Shaping the Health System you want for Pediatric Hospital Medicine and your Patients