Thank You…

For the hard work you are doing to improve and transform our nation’s healthcare system. This is challenging work

For your commitment to improving the care of the patients we serve

For your leadership, dedication and results in work to achieve better care, smarter spending and healthier people in North Dakota
Purposes of Session

Provide high level update on national progress

Share info & context on key quality improvement initiatives to support healthcare organizations and clinicians

Discuss ideas, strategies, insights to accelerate progress and future work
Questions to Run On

• What is happening nationally with healthcare delivery reform and national goals?
  • Partnership for Patients: Hospital Harm & Readmissions
  • Transforming Clinical Practice Initiative
  • Quality Improvement Organization Program
  • MACRA Quality Payment Program

• What’s working?

• How do we achieve better care, better health, smarter spending?
Some of the Weaknesses of a Fee for Service Payment System

- Excessive use of low-value services
- Insufficient incentives to improve quality of care
- Poor coordination of care
Delivery System and Payment Transformation

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

**Future State** –
- People-Centered
- Outcomes Driven
- Sustainable
- Coordinated Care
- New Payment Systems (and many more)
  - Value-based purchasing
  - ACOs, Shared Savings
  - Episode-based payments
  - Medical Homes and care mgmt
  - Data Transparency
Affordable Care Act Impacts

• Expansion of Health Insurance Coverage -> Decreased Uninsured Rates
• Slower Growth in Health Care Costs
• Improved Quality of Care

Source: Furman J, Fiedler M – Continuing the Affordable Care Act’s Progress on Delivery System Reform is an Economic Imperative.
According to the Congressional Budget Office, federal spending on major health care programs in 2020 will be $200 billion lower than predicted in 2010.

Source: Congressional Budget Office; CEA calculations.
Note: The August 2010 GDP estimates have been adjusted for major NIPA revisions in the summer of 2013. Without these revisions, the decline since August 2010 would be larger.
### 'Jaw-dropping': Medicare Deaths, Hospitalizations and Costs Reduced

**Sample consisted of 68,374,904 unique Medicare beneficiaries (FFS and Medicare Advantage).**

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2013</th>
<th>Difference</th>
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<tbody>
<tr>
<td><strong>All-cause mortality</strong></td>
<td>5.30%</td>
<td>4.45%</td>
<td><strong>-0.85% (approx. 300,000 deaths per year)</strong></td>
</tr>
<tr>
<td><strong>Total Hospitalizations/100,000 beneficiaries</strong></td>
<td>35,274</td>
<td>26,930</td>
<td><strong>-8,344 (approx. 3 million hospitalizations per year)</strong></td>
</tr>
<tr>
<td><strong>In-patient Expenditures/Medicare fee-for-service beneficiary</strong></td>
<td>$3,290</td>
<td>$2,801</td>
<td><strong>-$489</strong></td>
</tr>
<tr>
<td><strong>End of Life Hospitalization (last 6 months)/100 deaths</strong></td>
<td>131.1</td>
<td>102.9</td>
<td><strong>-28.2</strong></td>
</tr>
</tbody>
</table>

*Findings were consistent across geographic and demographic groups.*

Mortality, Hospitalizations, and Expenditures for the Medicare Population Aged 65 Years or Older, 1999-2013; Harlan M. Krumholz, MD, SM; Sudhakar V. Nuti, BA; Nicholas S. Downing, MD; Sharon Lise T. Normand, PhD; Yun Wang, PhD; JAMA. 2015;314(4):355-365.; doi:10.1001/jama.2015.8035
How do we achieve...

Better Care, Better Health
...and Smarter Spending?
How do we achieve better care, better health and smarter spending?

- Intentionally choosing to commit to these goals
- Organized, systematic quality improvement & spread of best practices at national scale
- Systematic testing and experimentation of new approaches
- Effectively linking payment to value
- Engaging patients in their care and in our improvement work
CMS Has Made Major Investments in Supporting Healthcare Providers and Organizations

**Partnership for Patients**
- 3,700 Hospitals

**Transforming Clinical Practices Initiative**
- 140,000 Clinicians

**End Stage Renal Disease Networks**
- 6,000 Dialysis Facilities

**Quality Innovation Networks - Quality Improvement Organizations**
- 250 Communities
- 800+ Hospitals
- 10,000+ Nursing Homes
- 3,800 Home Health Organizations
- 300 Hospice
- 44,000+ Clinicians
- 1,700 Pharmacies

**MACRA Quality Improvement Direct Technical Assistance**
- 200,000 Clinicians
Partnership for Patients (PfP) Model Test
Focused on Two Breakthrough Aims

GOALS:

40% Reduction in Preventable Hospital-Acquired Conditions
1.8 Million Fewer Injuries | 60,000 Lives Saved

20% Reduction in 30-Day Readmissions
1.6 Million Patients Recover without Readmission

Aims Create Systems; Systems Create Results.
National Results on Patient Safety
Substantial Progress thru 2014, Compared to 2010 Baseline

- 17 percent reduction in overall harm; 39 percent reduction in preventable harm
- 87,000 lives saved
- $19.8B in cost savings from harm avoided
- 2.1M fewer harms over 4 years

Figure 4—Medicare FFS 30-Day All-Cause Readmissions (Medicare Claims)

- FFS Rate decreased 5.56 percent between calendar year 2010 and Q4 2014.
- AHRQ All-Payer All-Cause 30-Day Readmissions declined 2.6 percent from 2010 to 2013.
What is Causing These National Results?

- **Crystal Clear, Meaningful Aims We Can All Work Toward:** *Aims Create Systems; Systems Create Results*
- **Quality Improvement Work at Truly National Scale:** Partnership for Patients, Transforming Clinical Practice Initiative, QIO Program, Community Based Care Transitions Program, more
- **Payment Changes:** Penalties, Incentives, New Types of Payments, Payment Goals
- **An Amazing Array of Innovative Models Active All Throughout the Nation**
- **Individual and Organizational Commitments and Choices of Leaders Like You**
Partnership for Patients (PfP) Model Test Is Establishing Two New Bold Aims

**GOALS:**

- 20% **Overall Reduction in Hospital Acquired Conditions**
- 12% **Reduction in 30-Day Readmissions**

Hospital Improvement and Innovation Networks 3.0 Are Anticipated to Begin a 3-Year Program of Work in SEP 2016 to Support ~4000 Hospitals
Transforming Clinical Practice Goals

1. Support more than 140,000 clinicians in their practice transformation work
2. Improve health outcomes for millions of Medicare, Medicaid and CHIP beneficiaries and other patients
3. Reduce unnecessary hospitalizations for 5 million patients
4. Generate $1 to $4 billion in savings to the federal government and commercial payers
5. Sustain efficient care delivery by reducing unnecessary testing and procedures
6. Build the evidence base on practice transformation so that effective solutions can be scaled
This technical assistance would enable large-scale transformation of more than 140,000 clinicians’ and their practices to deliver better care and result in better health outcomes at lower costs.

Transforming Clinical Practice would employ a three-prong approach to national technical assistance.

- Aligned federal and state programs with support contractor resources
- Practice Transformation Networks to provide on the ground support to practices
- Support and Alignment Networks to achieve alignment with medical education, maintenance of certification, more
What are the 5 Phases of TCPI?

1. Set Aims
2. Use Data to Drive Care
3. Achieve Progress on Aims
4. Achieve Benchmark Status
5. Thrive as a Business via Pay for Value Approaches
Transforming Clinical Practice Initiative: Support & Alignment Networks (SANs)

- American College of Emergency Physicians
- American College of Physicians, Inc.
- American College of Radiology
- American Medical Association
- American Psychiatric Association
- HCD International, Inc.
- National Nursing Centers Consortium
- Network for Regional Healthcare Improvement
- Patient Centered Primary Care Foundation
- The American Board of Family Medicine, Inc.
Transforming Clinical Practice Initiative: Practice Transformation Networks (PTNs)

- Arizona Health-e Connection
- Baptist Health System, Inc.
- Children's Hospital of Orange County
- Colorado Department of Health Care Policy & Financing
- Community Care of North Carolina, Inc.
- Community Health Center Association of Connecticut, Inc.
- Consortium for Southeastern Hypertension Control
- Health Partners Delmarva, LLC
- Iowa Healthcare Collaborative
  - Local Initiative Health Authority of Los Angeles County
- Maine Quality Counts
- Mayo Clinic
- National Council for Behavioral Health
- National Rural Accountable Care Consortium
- New Jersey Innovation Institute
- New Jersey Medical & Health Associates dba CarePoint Health
- New York eHealth Collaborative
- New York University School of Medicine
- Pacific Business Group on Health
- PeaceHealth Ketchikan Medical Center
- Rhode Island Quality Institute
- The Trustees of Indiana University
- VHA/UHC Alliance Newco, Inc.
- University of Massachusetts Medical School
- University of Washington
- Vanderbilt University Medical Center
- VHQC
- VHS Valley Health Systems, LLC
- Washington State Department of Health
The work of TCPi is directly aligned with the work of the Quality Payment Program.

Practice Transformation Networks (PTNs), Support and Alignment Networks (SANs), and Quality Improvement Organizations are connected directly to CMS and the latest info on QPP implementation.

As proposed in the draft rule, participation in TCPi will "count" towards the CPIA requirements of the QPP.

Clinicians who graduate from TCPi and choose to enter into Advanced APMs will benefit from the bonuses of QPP.

Many PTNs are still recruiting.
National Rural Accountable Care Consortium PTN

• Robust Webinar Program & Online Training Portal

• In-Person Quarterly Quality Improvement Workshops
  • Glendive, MT – October 11
  • Billings, MT – October 14

Travel is reimbursed for PTN Participants
The QIO Program, one of the largest federal programs dedicated to improving health quality for Medicare beneficiaries, is an integral part of the U.S. Department of Health and Human (HHS) Services' National Quality Strategy for providing better care and better health at lower cost.

www.qioprogram.org
Clinicians and QIOs Have Generated Significant Improvements for Their Patients and Communities
6,258 QIO-Supported Nursing Homes Are Accelerating Improvement on Quality Measure Composite Scores

Composite Scores
(including vaccination measures)

<table>
<thead>
<tr>
<th>Composite Score</th>
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<tbody>
<tr>
<td>9.50</td>
</tr>
<tr>
<td>9.00</td>
</tr>
<tr>
<td>8.50</td>
</tr>
<tr>
<td>8.00</td>
</tr>
</tbody>
</table>

End Month of Rolling 6-month Time Periods

- NNHQCC Homes
- All Homes
- Non-NNHQCC Homes
- Original NNHQCC Homes
Nursing Homes Are Rapidly Reducing Inappropriate Use of Antipsychotic Medications
QIN-QIOs Are Currently Expanding Work with Providers on Many Fronts

- MACRA Implementation to Support Providers in Succeeding with Merit-Based Incentive Payment System
- Expanded Teaming and Work to Prevent Adverse Drug Events in Communities
- New Special Innovation Projects
- Expanded Work to Address C. Diff in Nursing Homes
- Patient & Family Engagement Support & Outcomes
- Further Investment, Teaming & Work with HENs to Drive National Harm Rate Below 121 Harms per 1000 Discharges
What is “MACRA”?  


What does it do?

- **Repeals** the Sustainable Growth Rate (SGR) Formula
- **Changes the way that Medicare pays clinicians** and establishes a new framework to reward clinicians for **value** over volume
- **Streamlines** multiple quality reporting programs into 1 new system (MIPS)
- **Provides bonus payments** for participation in **eligible** alternative payment models (APMs)
Physician Quality Reporting Program (PQRS)

Value-Based Payment Modifier

Medicare Electronic Health Records (EHR) Incentive Program

Currently there are **multiple quality and value reporting programs** for Medicare clinicians:
MACRA streamlines these programs into MIPS

- Physician Quality Reporting Program (PQRS)
- Value-Based Payment Modifier
- Medicare Electronic Health Records (EHR) Incentive Program
- Merit-Based Incentive Payment System (MIPS)
First step to a fresh start
We’re listening and help is available
A better, smarter Medicare for healthier people
Pay for what works to create a Medicare that is enduring
Health information needs to be open, flexible, and user-centric

Quality Payment Program

The Merit-based Incentive Payment System (MIPS)
Advanced Alternative Payment Models (APMs)

or
MIPS: First Step to a Fresh Start

✓ MIPS is a new program
  • Streamlines 3 currently independent programs to work as one and to ease clinician burden.
  • Adds a fourth component to promote ongoing improvement and innovation to clinical activities.

✓ MIPS provides clinicians the flexibility to choose the activities and measures that are most meaningful to their practice to demonstrate performance.

Quality

Resource use

Clinical practice improvement activities

Advancing care information
Who Will Participate in MIPS?

Affected clinicians are called “MIPS eligible clinicians” and will participate in MIPS. The types of Medicare Part B eligible clinicians affected by MIPS may expand in future years.

**Years 1 and 2**

- Physicians, PAs, NPs, Clinical nurse specialists, Certified registered nurse anesthetists

**Years 3+**

- Secretary may broaden Eligible Clinicians group to include others such as
  - Physical or occupational therapists,
  - Speech-language pathologists,
  - Audiologists, Nurse midwives, Clinical social workers, Clinical psychologists,
  - Dietitians / Nutritional professionals

Note: Physician means doctor of medicine, doctor of osteopathy (including osteopathic practitioner), doctor of dental surgery, doctor of dental medicine, doctor of podiatric medicine, or doctor of optometry, and, with respect to certain specified treatment, a doctor of chiropractic legally authorized to practice by a State in which he/she performs this function.
There are 3 groups of clinicians who will NOT be subject to MIPS:

1. **FIRST year of Medicare Part B participation**
2. **Below low patient volume threshold**
3. **Certain participants in ADVANCED Alternative Payment Models**

Medicare billing charges less than or equal to $10,000 and provides care for 100 or fewer Medicare patients in one year

Note: MIPS **does not** apply to hospitals or facilities
Note: Most clinicians will be subject to MIPS.

Subject to MIPS

Not in APM

In non-Advanced APM

In Advanced APM, but not a QP

QP in Advanced APM

Note: Figure not to scale.

Some people may be in Advanced APMS but not have enough payments or patients through the Advanced APM to be a QP.
Putting it all together:

<table>
<thead>
<tr>
<th>Year</th>
<th>Fee Schedule</th>
<th>MIPS</th>
<th>QP in Advanced APM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>+0.5% each year</td>
<td>4 +5% bonus (excluded from MIPS)</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>+0.5% each year</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>+0.5% each year</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>No change</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>No change</td>
<td>9</td>
<td></td>
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<td>2021</td>
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<td>2025</td>
<td>No change</td>
<td>9</td>
<td></td>
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<tr>
<td>2026 &amp; on</td>
<td>+0.25% or 0.75%</td>
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- MIPS: 4, 5, 7, 9, 9, 9, 9
- QP in Advanced APM: +5% bonus (excluded from MIPS)
Several examples:

1. Allocates **$20 million / year** from 2016-2020 to support **small practices, rural practices and those caring for the medically underserved** to provide **technical assistance** regarding MIPS performance criteria or transitioning to an APM.

2. Creates an advisory committee to help promote development of **Physician-Focused Payment Models**
In January 2015, the Department of Health and Human Services announced new goals for value-based payments and Alternative Payment Models in Medicare.
<table>
<thead>
<tr>
<th>Category 1: Fee for Service - No Link to Quality</th>
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</thead>
<tbody>
<tr>
<td>- Limited in Medicare fee-for-service</td>
</tr>
<tr>
<td>- Majority of Medicare payments now are linked to quality</td>
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</table>

<table>
<thead>
<tr>
<th>Category 2: Fee for Service - Link to Quality</th>
</tr>
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<tbody>
<tr>
<td>- Hospital value-based purchasing</td>
</tr>
<tr>
<td>- Physician Value-Based Modifier</td>
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<tr>
<td>- Readmissions/Hospital Acquired Condition Reduction Program</td>
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<thead>
<tr>
<th>Category 3: Alternative Payment Models Built on Fee-for-Service Architecture</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Accountable care organizations</td>
</tr>
<tr>
<td>- Medical homes</td>
</tr>
<tr>
<td>- Bundled payments</td>
</tr>
<tr>
<td>- Comprehensive primary care initiative</td>
</tr>
<tr>
<td>- Comprehensive ESRD</td>
</tr>
<tr>
<td>- Medicare-Medicaid Financial Alignment Initiative Fee-For-Service Model</td>
</tr>
</tbody>
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<tr>
<th>Category 4: Population-Based Payment</th>
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<tr>
<td>- Eligible Pioneer accountable care organizations in years 3-5</td>
</tr>
</tbody>
</table>
Target % of Medicare Payments Tied to Quality or Value in 2016 and 2018

Actual % (Pre-HHS Goal Announcement)

2011:
- 0%
- ~70%

2014:
- ~20%
- >80%

New HHS Goals:

2016:
- 30%
- 85%
- 90%

2018:
- 50%

---

All Medicare fee-for-service (FFS) payments (Categories 1-4)

Medicare FFS payments linked to quality and value (Categories 2-4)

Medicare payments linked to quality and value via APMs (Categories 3-4)

Images not drawn to scale
MACRA Moves Us Closer to Meeting These Goals...

MIPS helps to link fee-for-service payments to quality and value.

The law also incentivizes participation in APMs.

New HHS Goals:

- 2016
  - 30%
  - 85%

- 2018
  - 50%
  - 90%

- All Medicare fee-for-service (FFS) payments (Categories 1-4)
- Medicare FFS payments linked to quality and value (Categories 2-4)
- Medicare payments linked to quality and value via APMs (Categories 3-4)
- Medicare payments to those in the most highly advanced APMs under MACRA ("eligible APMs")
Multiple Sources of Technical Assistance for Clinicians on Quality Payment Program

Quality Innovation Networks - Quality Improvement Organizations (QIN-QIO) TA

- ~400,000 eligible clinicians
- Larger practices (>15 EPs)
- Non-rural
- Focus on user experience and customer service.
- Technical assistance provided via:
  - LANs
  - Educational modules aligned with QPP content that provide CME/CEU credit
  - Direct TA (as requested) that is individualized to the customer

Transforming Clinical Practice Initiative (TCPI)

- Covers 140,000+ Practices
- Four year model test
- Large Scale Practice Transformation Improvement efforts
- Leveraging existing collaboration to create comprehensive Community of Practice
- Open Door Forums
- Aims to assist clinicians in progressing through the five phases of practice transformation in order to help more clinicians become a part of APMs

MACRA TA for SURS

- 200,000+ clinicians
- Small Practices(<=15 ECs)
- Practices in rural & HPSA Areas/medically underserved populations
- Support maximizing existing REC/QIO /RHC network infrastructure

Organizations funded under MACRA and the organizations within the TCPI will be aligned and work closely together without duplicating clinicians and activities, to help practices successfully transform their care, while also preparing for the new Quality Payment Program.
We’re Listening: Key Themes

- Patient Centered
- Simplify the program and reduce burden
- Create pathways
- Special considerations for solo and small independent practices
- Consider flexibilities to help prepare for changes
The Malizzo Family

Bob and Barb Malizzo, along with daughter Kristina Claver and her son Adrian, visit their daughter Michelle Balleg’s grave at Graceland Cemetery in Valparaiso, Ind. She died after a medical error was made during surgery. (Heather Charles/Chicago Tribune)
Bob & Barb Malizzo, Tim McDonald, MD
Speak to 2000 Leaders Working to Reduce Patient Harm
Questions to Run On

• What is happening nationally with healthcare delivery reform and national goals?
  • Partnership for Patients: Hospital Harm & Readmissions
  • Transforming Clinical Practice Initiative
  • Quality Improvement Organizations
  • MACRA Quality Payment Program

• What’s working?

• How do we achieve better care, better health, smarter spending?
Dennis Wagner, MPA

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Co-Director, Partnership for Patients
Co-Director, Transforming Clinical Practices Initiative

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