

**Improving Population Health  
Medicare 2.0**

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2011

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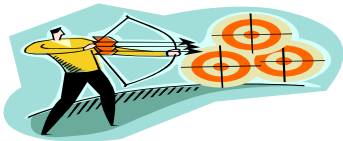
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**Three Part Strategic Aims of CMS**



***Better care, better health, and lower costs through continuous improvement for all Americans***

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**Rationale for the CMS Strategic Direction  
"Transforming the US Healthcare Delivery System"**

***"The US healthcare system produces significant levels of unjustified variation in patient care outcomes, patient safety, healthcare cost, quality performance, and population health outcomes."***

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### Hospital Referral Region Per Capita Spending Varies Dramatically

HRRs with High Per Capita Spending	Per Capita Spending	Ratio to National
FL - Miami	\$10,145	1.35
LA - Monroe	\$9,468	1.26
TX - McAllen	\$9,370	1.25

HRRs with Low Per Capita Spending	Per Capita Spending	Ratio to National
HI - Honolulu	\$4,959	0.66
CA - San Francisco	\$5,822	0.78
CA - San Jose	\$5,942	0.79

Medicare per capita spending in Miami, FL is more than 2 times Medicare per capita spending in Honolulu, HI

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### Comparing High Cost Healthcare Referral Areas and Quality

High Cost HRRs	Risk-Adjusted Standardized Per Capita	Ratio to Nat. Avg	All Cause Readmission Rate	Number of PQIs for Which HRR has Ratio greater than 1.4 (18 Max)
FL - Miami	10,145	1.35	1.52	26.7
MD - Baltimore	9,548	1.25	1.52	4
LA - Monroe	9,468	1.26	1.52	12
TX - McAllen	9,370	1.25	1.52	13
LA - Alexandria	9,370	1.25	1.52	13
LA - Shreveport	9,370	1.25	1.52	13
FL - Panama City	9,079	1.24	1.52	0
LA - Slidell	9,068	1.24	1.52	7
FL - Fort Lauderdale	9,016	1.23	1.52	0
FL - Bradenton	8,986	1.23	1.52	0
FL - Fort Myers	8,911	1.22	1.52	0
MS - Meridian	8,860	1.22	1.52	5
TX - Tyler	8,758	1.21	1.52	3
LA - Metairie	8,729	1.21	1.52	2
LA - Baton Rouge	8,729	1.21	1.52	5
LA - Lafayette	8,714	1.21	1.52	10
TX - Dallas	8,687	1.21	1.52	0
FL - St. Petersburg	8,681	1.21	1.52	18.4
TX - Amarillo	8,672	1.21	1.52	3
MD - Salisbury	8,648	1.21	1.52	19.9
MS - Hattiesburg	8,641	1.21	1.52	4
FL - Orlando	8,523	1.14	1.52	18.6

10 Negative Provider Quality Indicators

High readmission rate as well!!!

6.51 over National average utilization of home health??

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### Transforming the US Health Care System It is Like Nation Building

*A Relationship Map of All the Factors at Play in Rebuilding the Nation of Afghanistan*

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**Partnership for Patients: Better Care, Lower Costs**

- National Effort – Next 3 Years
- Up to \$1 Billion Commitment
- Estimated to save up to \$35 Billion, \$10 Billion for Medicare
- Estimated to save 60,000 lives
- Pledge/Commitment – Physicians, Hospitals Nurses, Employers, Health Plans, Patient Advocates
- Value Based Purchasing: 3,500 hospitals paid for inpatient acute care serves based on quality

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**Partnership for Patients: Better Care, Lower Costs**

Two Shared Goals:

- Keep Hospital Patients from Getting Injured or Sick (by end of 2013, 40% reduction in preventable hospital acquired infections)
- Help Patients Health Without Complications (by end of 2013, 20% reduction in hospital readmissions)

Resources:

- \$500 million (Community-based Care Transition Program)
- Up to \$500 million (CMS Innovation Center to support new demonstrations)

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**Shared Savings**

Medicare Shared Savings Program  
Reward providers for higher quality, coordination and patient-centered care

Pioneer ACOP Program  
For organizations experienced with integration. Tests payment according to ability to improve population health

Advanced Payment Initiative  
Does up front investment spur adoption?  
Are results better than peers?

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### Multi Payer Advanced PC, FQHC Comprehensive Primary Care

Core is a monthly fee for care coordination and management.  
Focus is to work with states and private plans, align incentives.  
Expect to see  
Care Plans  
24 Hour Access  
Engage families and caregivers

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### Bundled Payments for Care Improvement

Support episodes of care in four models  
Three retrospective  
One prospective palyment  
Providers pick the bundles  
Goal is high quality coordinated care

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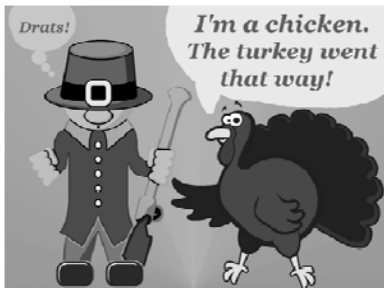
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### Thank You



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