#### The National Health Policy Landscape Updates from the Past Two Weeks

Robert Saunders, PhD

Duke-Margolis Center for Health Policy

June 28, 2017



# National Health Policies: Many Moving Parts

- Federal Health Reform Policies (AHCA/BCRA)
- MACRA Implementation
- Implications for Delaware

#### Proposed Health Reform Legislation

American Health Care Act (AHCA) passed the House on May 6<sup>th</sup>

Better Care Reconciliation Act (BCRA) was introduced in the Senate on June 22<sup>nd</sup>

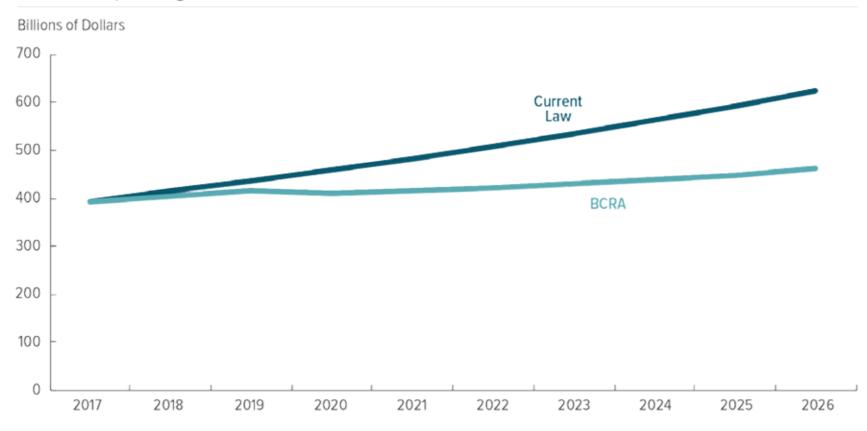
- CBO score: Monday
- As of Tuesday, bill on hold
- Does not have components for value-based payments

ERN	N17282	Discussion Draft	S.L.C.
AM	ENDMENT NO	O Ca	lendar No
Pur	rpose: In the na	ture of a substitute.	
IN '	THE SENATE OF	THE UNITED STATES—11	5th Cong., 1st Sess.
		H. R. 1628	
0		reconciliation pursuant to ution on the budget for fi	
Re	eferred to the C	ommittee on ordered to be printed	and
	Ordered to	o lie on the table and to b	e printed
A		THE NATURE OF A SUBST proposed by	
Viz	:		
1	Strike all	after the enacting clause	and insert the fol-
2	lowing:		
3	SECTION 1. SHO	ORT TITLE.	
4	This Act i	may be cited as the "Bett	er Care Reconcili-
5	ation Act of 20	17".	
6		TITLE I	
7	SEC. 101. ELIMI	NATION OF LIMITATION O	N RECAPTURE OF
8	E	XCESS ADVANCE PAYMEN	NTS OF PREMIUM
9	T	AX CREDITS.	
10	Subparagr	raph (B) of section 36B(t	f)(2) of the Inter-
11	nal Revenue C	ode of 1986 is amended	by adding at the
12	end the following	no now clause	

## BCRA: Requires Strong State Cost Reductions

Figure 2.

Medicaid Spending Under Current Law and Under the Better Care Reconciliation Act



Source: Congressional Budget Office.

#### BCRA: State Exchange Market

- Insurance market changes
  - Short-term stability fund (~\$15B in FY18) to help cover urgent coverage and access
- New 1332 waivers give states significant freedom to reform their health systems
  - Flexibility to change Essential Health Benefits, create new payment mechanisms or unique networks.
  - Guaranteed federal approval if waiver does not raise federal deficit

# National Health Policies: Many Moving Parts

- Federal Health Reform Policies (AHCA/BCRA)
- MACRA Implementation
- Implications for Delaware

#### MACRA Updates

- New MACRA draft rule on June 20 (now seeking public comments)
- New draft rule shows willingness to accommodate clinician concerns and allow for an adjustment period.
- MACRA remains the primary vehicle for payment reform at the federal level, but adjustments will continue.

## Impact of Proposed Rule on Payment Reform

- Expands MIPS exemption for clinicians with low volumes of Medicare (by revenue or # of patients)
  - Almost 2/3 of clinicians exempt
  - Continuing transition period for those participating
- Advanced APM bonus payment can come from combination of APM participation across plans.
  - → Could double the number of physicians eligible for bonus by 2020

#### New APMs for Specialists

- MACRA created the Physician-Focused Payment Model Technical Advisory Committee (PTAC) to approve new payment models.
- Tries to address shortage of viable payment models for specialists.
- PTAC has reviewed 4 proposals and recommended
   2 for pilot testing. More proposals awaiting review.

# National Health Policies: Many Moving Parts

- Federal Health Reform Policies (AHCA/BCRA)
- MACRA Implementation
- Implications for Delaware

## Delaware Already Moving Forward on a Variety of State Initiatives

- Accountable Care Organizations
- Medical Homes
- Common Scorecard 2.0
- Delaware Health Information Network
- Healthy Neighborhoods Initiative
- Practice Transformation Program

## Meanwhile, many Medicare-based payment models also underway

- 1.Expanded Medicare Shared Savings Program Tracks\*
- 2.Next Generation ACO Program\*

Accountable Care Organizations

- 3.Bundled Payment for Care Improvement
- 4. Comprehensive Care for Joint Replacement\*
- 5.Comprehensive Cardiac, Hip Fracture Care\*

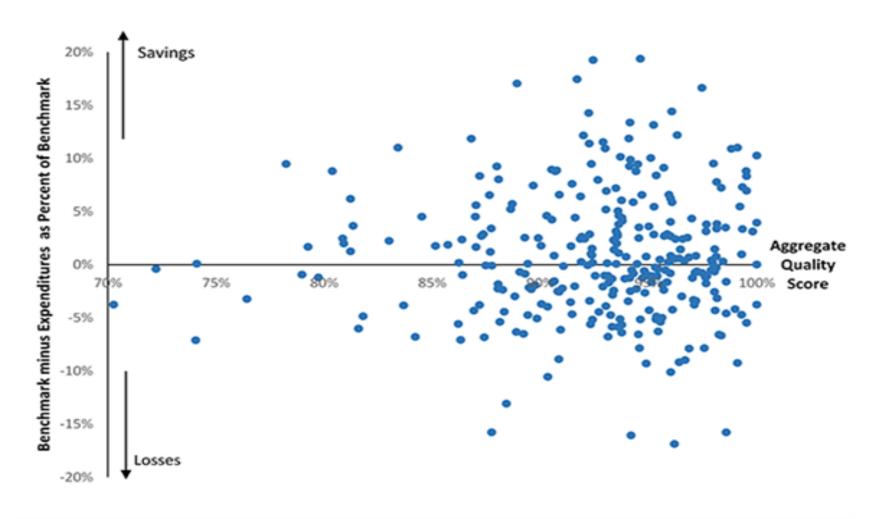
**Bundled Episode Payments** 

- 6.Oncology Care Model
- 7. Comprehensive ESRD Care Model\*
- 8. Comprehensive Primary Care Plus

Medical Homes (Primary Care & Specialty)

Italicized reforms may be delayed.
Asterisk indicates payment model qualifies for advanced APM bonus

### Despite the abundance of payment models, most organizations not yet succeeding



### Multiple Factors Affect Payment Reform Success

- Governance and Culture
- Financial Readiness
- Health IT Infrastructure and Data Use
- Care Coordination

- Quality and Safety
- Patient-Centeredness
- Collaboration vs.
   Operationalization

→ Goal should not necessarily be to continue adding new payment models, but providing the support needed to determine which existing ones work best.

### Cutting Through The Fog: Providing Clarity and Support for New Payment Reforms

Alignment	<ul> <li>Multiple programs may create competing incentives</li> <li>Reduce burden for clinicians</li> </ul>
Education	<ul> <li>Clinician uncertainty about MACRA and payment reforms</li> <li>Positive: DCHI/DHCC workshops; should continue</li> </ul>
Evidence	<ul> <li>Need to know what works and why</li> <li>Models won't show results right away, will vary.</li> </ul>