

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

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# National Health Policies: Many Moving Parts

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

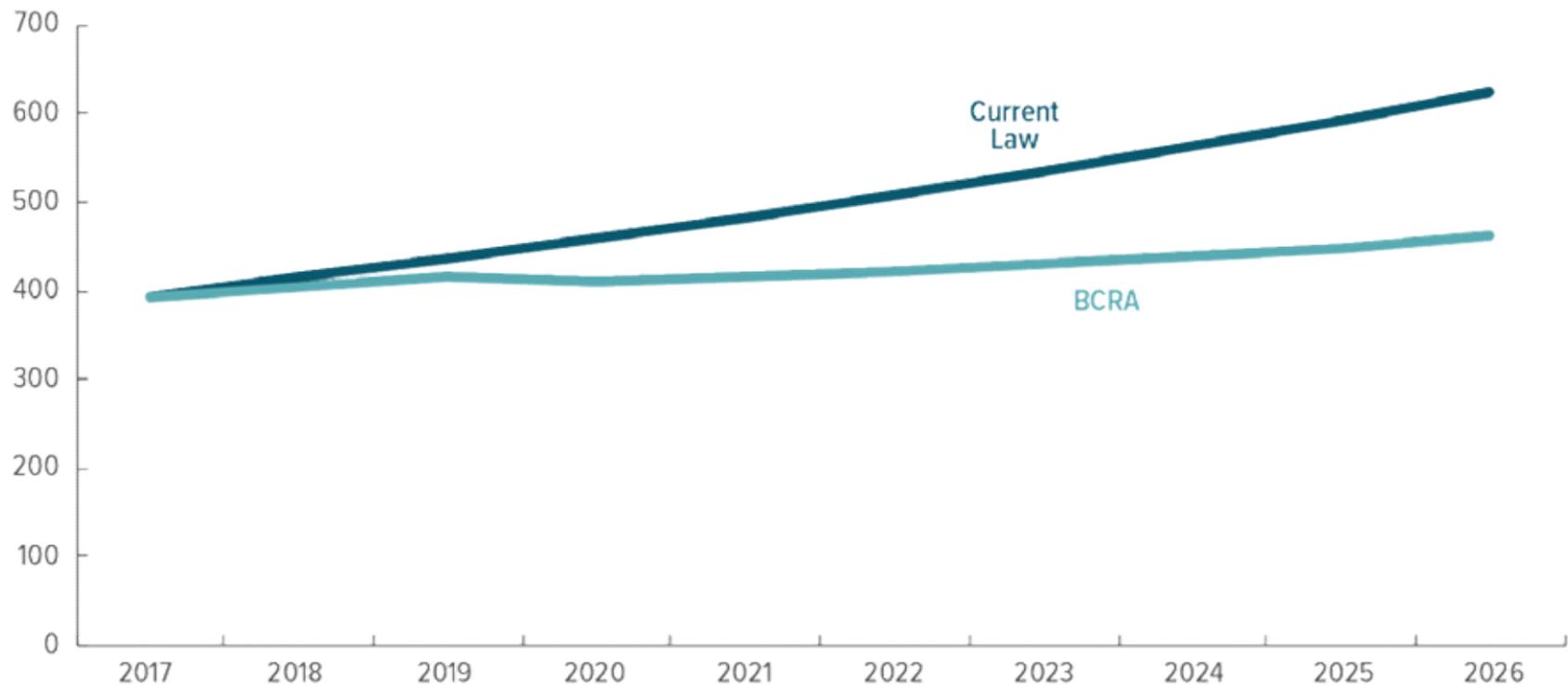


# BCRA: Requires Strong State Cost Reductions

Figure 2.

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

Billions of Dollars



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

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# 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.

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# 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\*

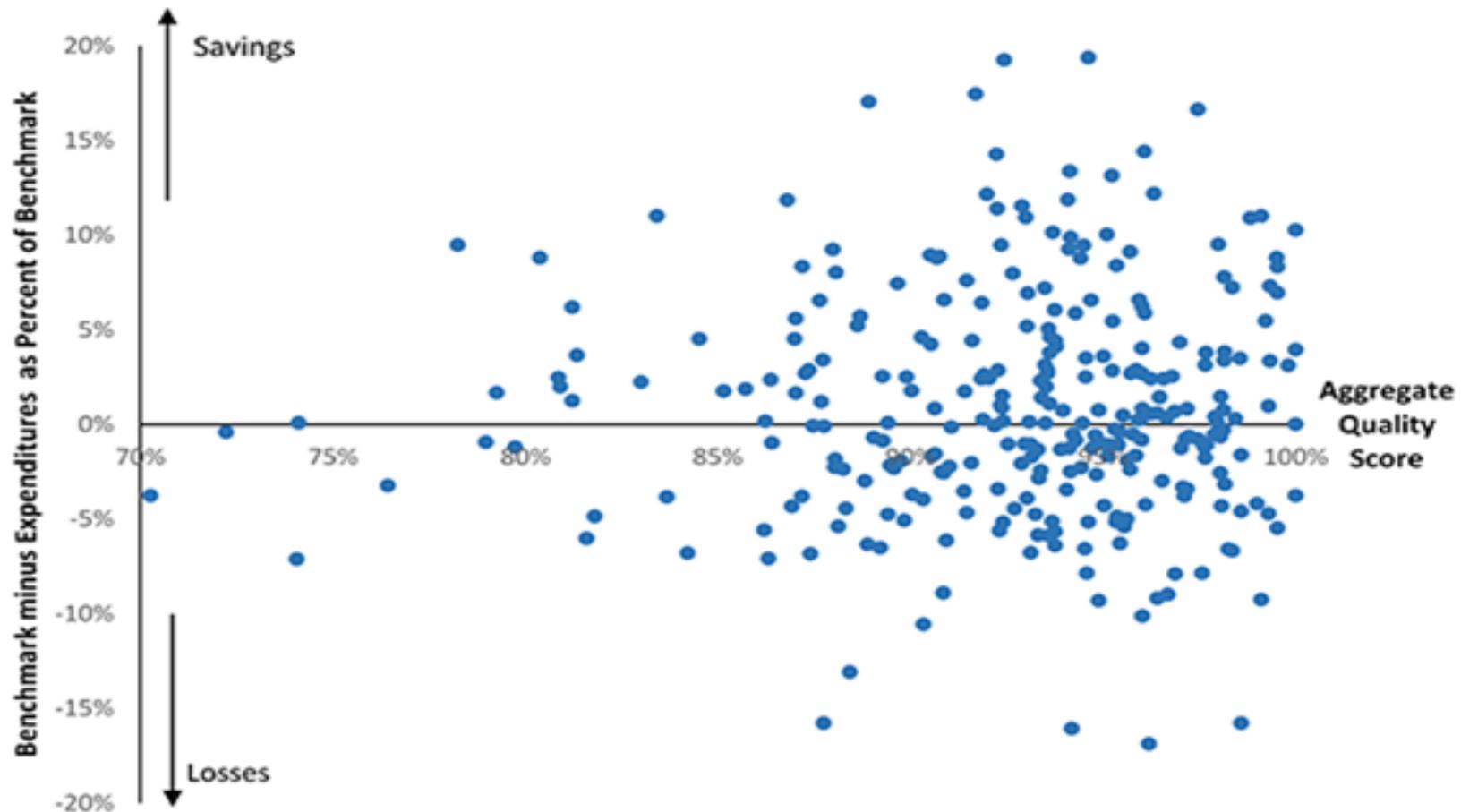
8.Comprehensive Primary Care Plus

**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

<b>Alignment</b>	<ul style="list-style-type: none"><li>• Multiple programs may create competing incentives</li><li>• Reduce burden for clinicians</li></ul>
<b>Education</b>	<ul style="list-style-type: none"><li>• Clinician uncertainty about MACRA and payment reforms</li><li>• Positive: DCHI/DHCC workshops; should continue</li></ul>
<b>Evidence</b>	<ul style="list-style-type: none"><li>• Need to know what works and why</li><li>• Models won't show results right away, will vary.</li></ul>