

Improving Care Delivery: Summary of the Delivery and Payment Reform Elements of the Patient Protection and Affordable Care Act of 2010

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April 9, 2010

Patient Protection and Affordable Care Act Marks the Starting Line for Reform

- Array of provisions related to expanding coverage and changing the rules by which health insurers offer coverage.
- Wide range of provisions intended to control health care costs and improve the health care delivery system.
- Many details still need to be ironed out.
- Implementation will define how they meet the need to deliver high quality and affordable care to all Americans.

Key Coverage Provisions Effective “Now”

- Small-business tax credits to make employee coverage more affordable.
 - Firms that choose to offer coverage will be able to take advantage of tax credits of up to 35% of premiums in 2010. (In 2014, tax credits will cover 50% of premiums).
- Medicare Part D “donut hole” begins to close.
 - Medicare beneficiaries will receive a \$250 rebate in 2010 when they reach the donut hole, which will be completely closed by 2020.
- Within 90 days, the bill gives employers that provide health benefits for retirees ages 55 to 64 help in offsetting the costs of expensive health claims.
- Within 90 days, there will be the creation of high-risk pools.

Key Coverage Provisions Effective This Year

- Extends coverage for young people.
 - Up to their 26th birthday, children can be covered under their parents' health insurance policy.
- Provides coverage protection for the sick.
 - Bans health plans from dropping people from coverage when they get sick.
 - Prohibits health plans from denying coverage to children under the age of 19 with pre-existing conditions. (In 2014, that prohibition would extend to everyone.)
- Prohibits lifetime limits on coverage.
- Tightly restricts new plans' use of annual limits.

Other Key Coverage Provisions

What	When
<p>For individuals – coverage for 95% of Americans</p> <ul style="list-style-type: none"> • Expansion of access to high-risk pools • Mandate to get coverage • Subsidies to buy or Medicaid for low income • New insurance rules (guaranteed issue, etc) • New taxes (those making more than \$200K) 	Some soon; most 2014
<p>For Medicare beneficiaries</p> <ul style="list-style-type: none"> • Additional preventive care coverage • Reduced payments to Medicare Advantage 	Starts in 2011
<p>Exchanges</p> <p>For individuals and businesses up to 100, BUT states can allow larger businesses post 2017; funds “co-op plans; many details</p>	Funding 2011; operating 2014

Other Key Coverage Provisions

What	When
<p>For Large Employers</p> <ul style="list-style-type: none"> • Benefit design requirements • Requirement to Offer Coverage (or pay for “free-rider”) • Reinsurance for early retiree coverage • Cadillac Tax on “Rich Benefits” • Removal of Part D Tax Subsidy • Paying for expansion through fees/taxes 	<p>Some soon; most 2014; others as far out as 2018</p>
<p>For Small Business</p> <ul style="list-style-type: none"> • Tax Credits • Requirements to offer coverage 	<p>2014</p>

Delivery Reform Elements Hold the Promise of Containing Costs and Improving Quality

- Payment Reform to Improve Quality and Value
 - Independent Payment Advisory Board
 - CMS Innovation Center
 - Piloting of New Programs
 - Alignment between Public and Private Payers
- Priority Setting, Measurement & Quality Improvement
 - Priority Setting
 - Multi-Stakeholder Input
 - Measure Development / Endorsement
 - Data Collection and Aggregation Processes
 - Quality Improvement Support
- Public Reporting to Promote Transparency
 - Broad Plan for Public Reporting
 - Hospitals and Ambulatory Surgery Centers
 - Physicians
 - Nursing Homes, Skilled Nursing Facilities, LTC Facilities
 - Release of Medicare Data

Delivery Reform Elements Hold the Promise of Containing Costs and Improving Quality

- Promoting Population Health & Wellness
 - Implement a National Wellness Plan
 - Benefit Designs to Promote Wellness
 - Encourage Employer Wellness Programs
- Patient-Centered Outcomes Research (Comparative Effectiveness)
 - Independent Governance
 - No Restrictions on Use of Results
 - Effective Conflict of Interest Provisions
- Health Information Technology
 - Builds on the HITECH incentives
 - Promotes Telehealth
 - Supports Administrative Efficiency

Shaping the Implementation of PPACA

- Informally advise Secretary of HHS, CMS Administrator and others
- Participate in formal rule-making process to provide input
 - Help shape prior to being issued; comment when issued; follow-up after comments
- Become a member of key advisory and decision-making bodies (new and existing)
 - Independent Payment Advisory Board (IPAB); IPAB Consumer Council; MedPAC; Comparative Effectiveness Research Board of Governors; Clinical Prevention Stakeholders Board; measure development/endorsement committees; etc.
- “Clean-up” Legislation

Payment Reform to Improve Quality and Value

- **Independent Payment Advisory Board**
 - Establishes a new Board which includes reporting on cost and quality trends in Medicare and the private sector as well as making recommendations regarding policies in the private sector.
 - Proposals to Congress begin in 2014.
- **CMS Innovation Center**
 - Establishes an Innovation Center with the capacity to implement innovations program-wide that require review and assessment by the Office of the Actuary.
 - Center must be established by 2011.
- **Piloting of New Programs**
 - Authorizes a multitude of payment redesign programs to be rapidly tested and, as proven, expanded.
 - Accountable Care Organizations, Bundled Payments, Shared Decision-Making, etc.
- **Alignment between Public and Private Payers**
 - Includes multiple provisions that advance the goal of aligning payment between public and private payers.

Payment Reform to Improve Quality and Value

- **Physician Payment**

- Provides 5-year, 10% bonus for primary care and general surgeons in health professional shortage areas beginning in 2011.
- Medicaid primary care rates will be 100% of adjusted Medicare rates for 2013 and 2014.
- Secretary establishes a payment modifier that provides for differential payment to physicians based on quality of care compared to cost. Must be budget neutral and program starts in 2013.

- **Hospital Payment**

- Reduces payments for “excess” readmissions in selected conditions starting in 2012.
- Reduces payment for hospitals in top quartile of national health care acquired conditions rate by 1% starting in 2015.
- Establishes a hospital VBP program to start in 2013.

- **Expansion of Value-based Purchasing (VBP)**

- VBP pilots for long-term care; rehabilitation facilities; PPS-except cancer hospitals; and hospice to be implemented by 2016.

Priority Setting, Measurement & Quality Improvement

- **Priority Setting**

- Requires Secretary to develop and implement a national strategy to improve delivery, outcomes, and population health.
- First strategy due 2011 and annually thereafter.

- **Multi-Stakeholder Input**

- Requires input from a formal multi-stakeholder process on measures used for public reporting or payment purposes.
- Facilitated process begins no later than February 2012.

- **Measure Development / Endorsement**

- Supports the development and maintenance of measures to evaluate care (e.g., outcomes, patient experience, care coordination, resource use).
- Measure development funding is \$75 million for each FY 2010 – 2014.
- Fosters use of nationally standardized measures endorsed by a multi-stakeholder body.

Priority Setting, Measurement & Quality Improvement

- **Data Collection and Aggregation Processes**
 - Requires CMS to collect quality and resource use data.
 - Medicare data will be released to support better transparency of provider performance with full protections of patient privacy as early as January 2012.
- **Quality Improvement Support**
 - Center for Quality Improvement and Patient Safety at AHRQ will support research on best practices for quality improvement.
 - Grants for technical assistance support for providers with limited infrastructure and financial resources for quality improvement.

Public Reporting to Promote Transparency

- **Broad Plan for Public Reporting**
 - Requires a clear federal plan to make performance information widely available.
- **Hospitals and Ambulatory Surgery Centers**
 - Expands Hospital Compare; includes information on the VBP program; report on health care acquired admissions, hospital readmissions, and hospital charge data.
- **Physicians**
 - Requires development of Physician Compare website by January 2011.
 - Annually, physician ownership or investments in hospitals and manufacturers (by September 2013) will be published.
- **Nursing Homes, Skilled Nursing Facilities, LTC Facilities**
 - New information will be added to Nursing Home Compare by March 2011. Nursing home ownership by March 2012.
- **Release of Medicare Data**
 - Medicare data will be released to support better transparency of provider performance with full protections of patient privacy as early as January 2012.

Promoting Population Health & Wellness

- **Implement a National Wellness Plan**
 - The Secretary shall develop and support a broad effort to promote population health and wellness by March 2011.
- **Benefit Designs to Promote Wellness**
 - Coverage for preventive services and incentives for wellness are fostered in Medicare, Medicaid and for private coverage.
- **Encourage Employer Wellness Programs**
 - Employers' efforts to promote wellness are fostered through multiple vehicles.

Patient-Centered Outcomes Research (Comparative Effectiveness)

- **Independent Governance**
 - Establishes a new independent entity to support and oversee comparative effectiveness research. Funding starts in 2010.
- **No Restrictions on Use of Results**
 - The purpose of comparative effectiveness research is for findings to be used by clinicians, patients and others.
- **Effective Conflict of Interest Provisions**
 - Protections are in place and need to ensure that self-interested individuals and entities do not overly influence the CER research agenda and related processes.

Health Information Technology

- **Builds on the HITECH incentives**
 - The existing law provides incentives for the adoption of “meaningful use” of health information technologies is maintained.
- **Promotes Telehealth**
 - Encourages the use of telehealth in a couple provisions.
- **Supports Administrative Efficiency**
 - Important provisions support reducing burden on providers and saving resources by standardizing claims, utilization and credentialing processes.

Selected Resources

Patient Protection and Affordable Care Act of 2010

Legislative Text

- http://www.healthcaredisclosure.org/docs/files/PPACA_Text.pdf

Summary of the Delivery and Payment Reform Elements of the Patient Protection and Affordable Care Act of 2010

- http://www.healthcaredisclosure.org/docs/files/Disclosure_PPACA_SummaryDeliveryPaymentReform.pdf

What Consumer and Patient Advocates Need to Know Now that Health Care Reform Has Passed

- http://www.nationalpartnership.org/site/DocServer/Payment_Reform_Issue_Brief_FINAL.pdf?docID=6261

About The Disclosure Project

The Consumer-Purchaser Disclosure Project is an initiative that is improving health care quality and affordability by advancing public reporting of provider performance information so it can be used for improvement, consumer choice, and as part of payment reform. The Project is a collaboration of leading national and local employer, consumer, and labor organizations whose shared vision is for Americans to be able to select hospitals, physicians, and treatments based on nationally standardized measures for clinical quality, consumer experience, equity, and efficiency. The Project is funded by the Robert Wood Johnson Foundation along with support from participating organizations.

For more information <http://healthcaredisclosure.org/>

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