Medicare at 50: Issues and Future Directions

Richard J. Gilfillan, M.D.
President and Chief Executive Officer
Trinity Health

Transforming an Adapted Delivery System: From Care Fragments to Care Coordination

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<th>Volume-Based Care</th>
<th>Value-Based Coordinated Care</th>
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<td>Fee-for-Service</td>
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<td>Treat</td>
<td>INCENTIVE</td>
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At Trinity Health, we are building a People-Centered Health System

- Episodic Health Care Management for Individuals
- Population Health Management
- Community Health & Well-being

Efficient & effective care management initiatives
Serving those who are poor, other populations, and impacting the social determinants of health

Better Health • Better Care • Lower Costs

People-Centered 2020: Our Strategic Plan Includes Five Focus Areas

- People-Centered Care
- Engaged Colleagues
- Operational Excellence
- Leadership Nationally
- Effective Stewardship

Physician and Clinician Collaboration
Our Response to the New Marketplace Demands
Fundamental change to deliver high-value offerings

- **Trinity Health Partners**
- **ACOs**
  - 27 ACOs in 21 states
  - U.S. = 1.5 million attributed lives
- **Bundled Payments**
  - 47 facilities (35 hospitals & 12 Continuing Care facilities)
  - in 13 states have Bundled Payment Programs as of April 1
- **CINs**

All Parties Need to Benefit from the Savings

Note: Triple Aim figure adapted from IHI Innovation Series white paper, Cambridge, Massachusetts, Institute for Healthcare Improvement, 2012.

Better Health
Better Care
Lower Costs

People-Centered Care
Producer-Centered Care
Lower costs for patients and payers
Investments in improving care systems & quality infrastrcutures
Rewards for providers in delivering better outcomes

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CMS Has Been a Great Partner
But There are Critical Issues to Meet the Timelines

- Improve the ACO business case to make it sustainable
- Leave all savings in the benchmark
- Equalize the opportunity for MA and ACOs
- Provide waivers for all
- Allow beneficiary attestation
- Simplify Quality Measurement: 5–7 high-level outcomes; patient-reported functional outcomes
- Improve data capabilities
- Provide meaningful infrastructure support to ACOs
- Create rapid cycle turnaround time for Learning and Action network
- Invest more in system learning and scaling activities

Our Shared Commitment:
75% of business activity will be in alternative contracts by 2020
Health Care Transformation Task Force
Guiding Principles

- We commit to have 75 percent of our respective businesses operating under value-based contracts payment arrangements by January 2020.
- Value-based delivery and payment systems must be designed to deliver the Triple Aim.
- We define value-based arrangements as those which successfully incentivize and hold providers accountable for the total cost, patient experience and quality of care for a population of patients.
- Health care costs should not continue to crowd out other vital national investments.
- All payers—public and private—should use the full extent of their capabilities and authority, including that provided to the U.S. Secretary of Health and Human Services, to make successful models national policy.

Guiding Principles (contd.)

- Any savings achieved through population health models should be shared among people, payers/purchasers and providers.
- Private and public payers must recognize that this effort will take years and they cannot expect to recover all investments in the short term.
- Value-based payment and delivery models should meet the needs of disadvantaged populations and strengthen the safety net providers who serve them.
- Alignment among public and private payers is critical.
- Data is essential to driving the success of care coordination and should be provided at a sufficiently granular level by those private and public entities currently holding it.
- Value-based systems should promote transparency of quality and cost metrics in a manner that is accessible to, and easily understood by, consumers.