

# Alliance for Health Reform: Medicare Advantage 101 Briefing

December 2014



# Medicare Advantage leading the way

- **Transparent quality standards**
- **Attractive to minorities & low income**
- **Reducing hospital stays**
- **98% retention (MedPAC)<sup>1</sup>**

FFS

MA

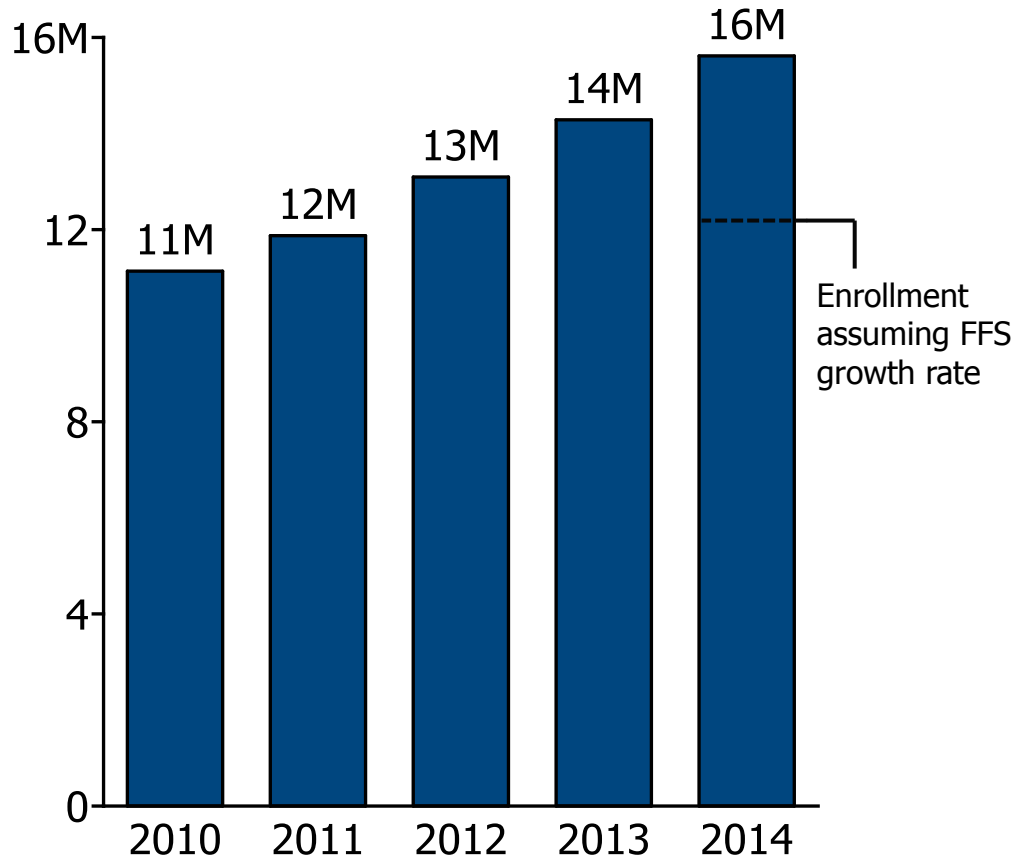


**Medicare Advantage focused on care coordination, preventive care, and total patient wellness in ways not possible under FFS**

Notes: S. Harrison and C. Zarabozo, "Medicare Advantage Demographic and Enrollment Patterns", 11 Sep 2014

# Increasingly popular with beneficiaries

## MA Enrollment



- **High retention:** 98% of MA enrollees stay in MA<sup>1</sup>
- Enrollment has **grown 40%** since 2010<sup>2</sup>
- **14%** of beneficiaries are **Hispanic** vs. 7% in FFS<sup>3</sup>
- **46%** of beneficiaries have **income between \$10K-\$30K** vs. 38% in FFS<sup>3</sup>

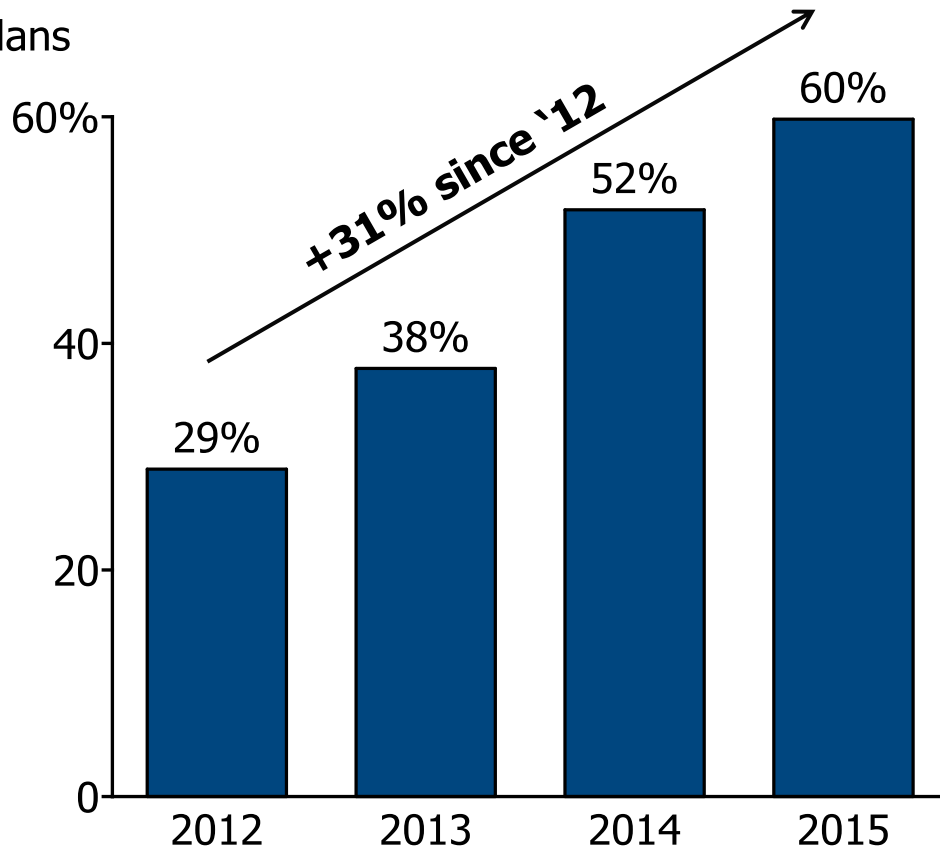
Notes: 1) S. Harrison and C. Zarabozo, "Medicare Advantage Demographic and Enrollment Patterns", 11 Sep 2014

2) CMS Monthly Enrollment Files

3) Congressional Research Service, "Distribution of Medicare Advantage and Medicare Fee-for-Service Enrollment for Beneficiaries in the Community by Race/Ethnicity and Income", May 2, 2014

# Positive momentum, continued quality improvement

% of Enrollment in 4+ Star Plans

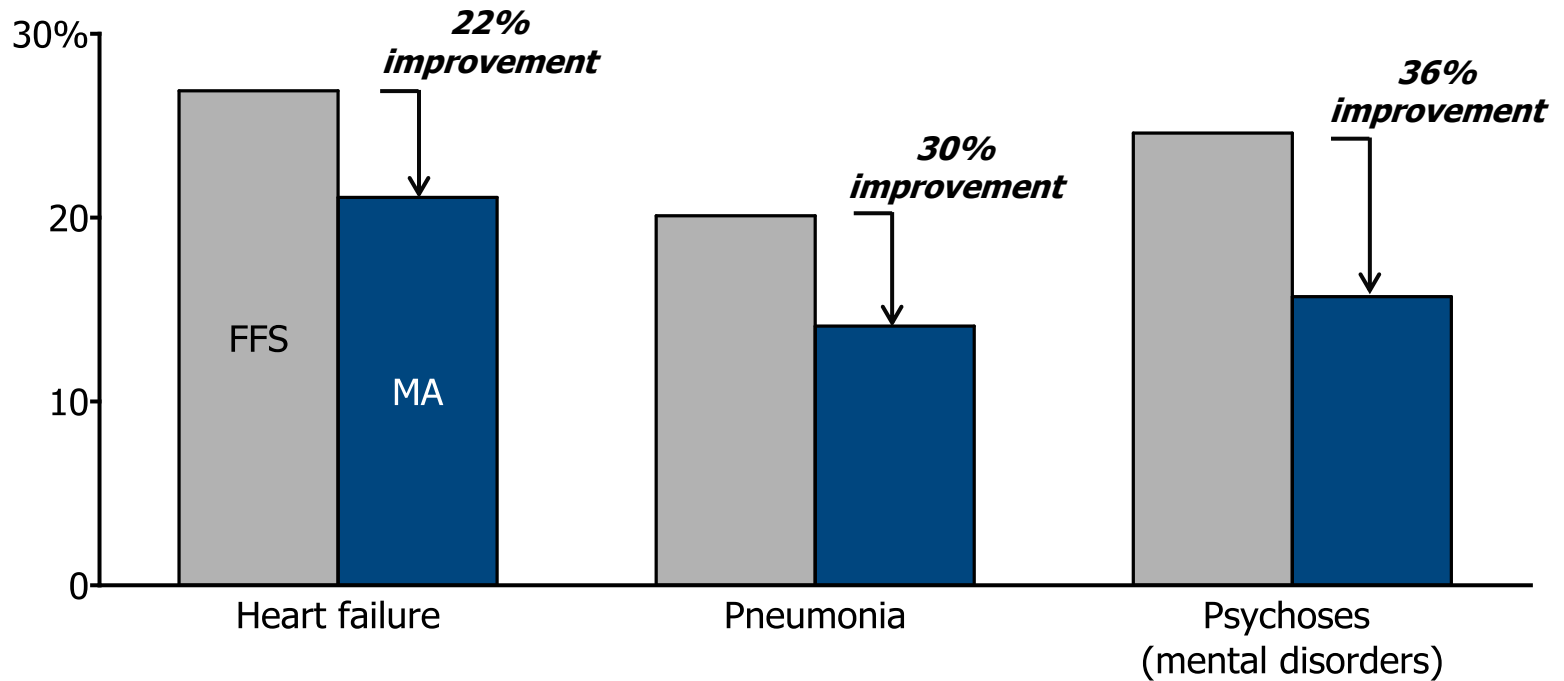


- **Transparent** standards
- **44 distinct Star measures**
- Heaviest weight on **outcomes**
- **No analog** in FFS

Notes: 2015 Star Ratings FactSheet, Table 1: 2012 – 2015 Overall Rating Distribution for MA-PD Contracts

# Leading to better health outcomes

## 30-Day Rehospitalization Rate



Notes: Adapted from J. Lemieux, C. Sennett, R. Wang, T. Mulligan, J. Bumbaugh, "Hospital Readmission Rates in Medicare Advantage Plans", American Journal of Managed Care, Vol. 18 No. 2, Feb 2012; FFS data based on Jencks et al, "Rehospitalizations among patients in the Medicare fee-for-service program", N Engl J Med. 2009;360 (14); 1418-1428 and MA data based on MedAssurant MORE<sup>2</sup> Registry

# The HCP difference

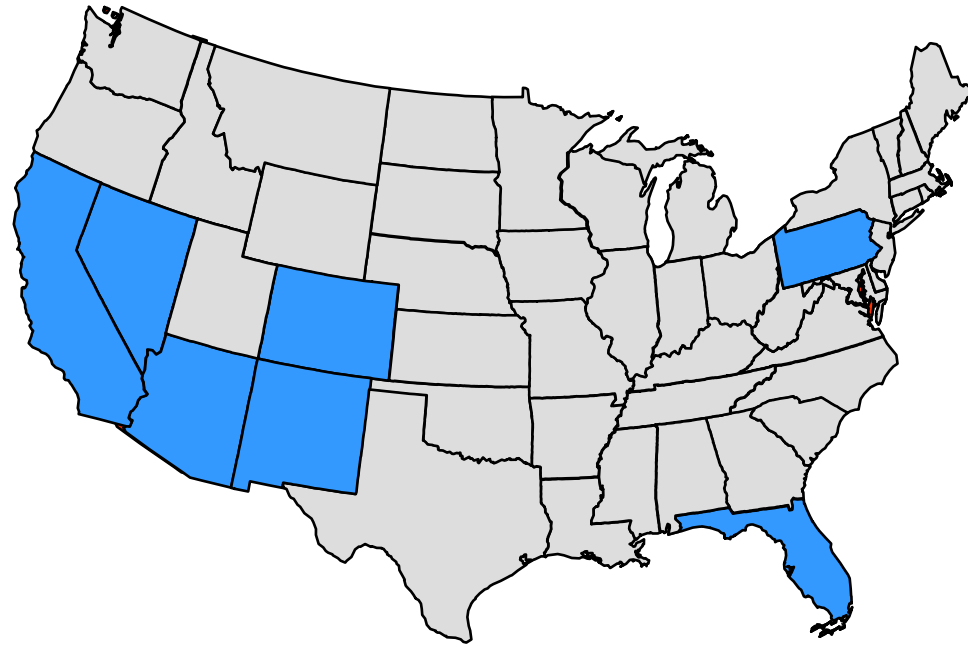
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**Fee-For-Service**

**HealthCare Partners**

# Largest Non-Hospital Medical Group in each of HCP's Current Markets

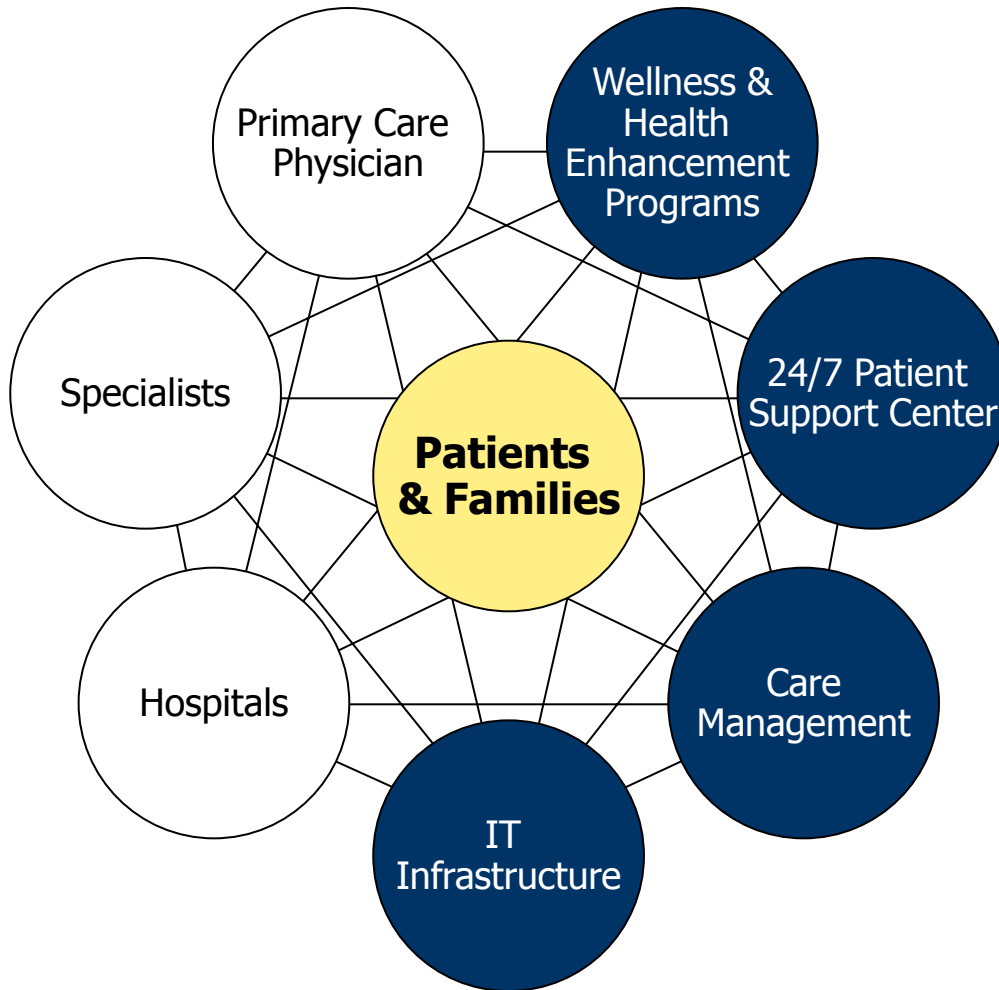
- Currently operate in AZ, CA, FL, NM, NV  
- CO and PA in 2015
- 800,000+ Patients  
-315,000+ on Medicare Advantage
- 1,100+ Employed Physicians
- 12,000+ IPA Physicians
- 200+ Affiliated Hospitals



***Variety of  
physician and  
hospital  
payment  
arrangements***

- Employed physicians paid salary with incentives
- Contracted Physicians paid percent of Medicare or capitation or combination plus incentives

# Investment in patient-centered care delivery system



- **Right Care, Right Place, Right Time:** care coordination, programs tailored for specific needs
- **Innovative Hospitalist Approach:** 30+ years of experience, smooth care transitions
- **Healthy Living:** social workers, health education, fitness center
- **Extended Support:** 24/7/365 call center, patient online portal

● = Programs not paid for in traditional FFS



# Unique Hospitalist program

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## Collaboration

- Primary Care, High Risk, and Specialty providers
  - Colleague Hospitalists
  - Employed Case Managers, Social Workers, and Coordinators
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## Accountability

- All hospital admission and re-admission rates
- Overall outcomes beyond traditional measures
- Responsibility beyond the discharge...

# Programs tailored to all ages and health stages

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