



Fulfilling the Promise of Value-Based Care: Macro Trends in and the Evidence for Payment Reform

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About CPR

An independent non-profit corporation working to catalyze employers, public purchasers and others to implement strategies that produce higher-value health care and improve the functioning of the health care marketplace.

- 32BJ Health Fund
- 3M
- Aircraft Gear Corporation
- Aon
- Arizona Health Care Cost Containment System (Medicaid)
- AT&T
- The Boeing Company
- CalPERS
- City and County of San Francisco
- Comcast
- Compassion International
- Covered California
- The Dow Chemical Company
- Equity Healthcare LLC
- FedEx Corporation
- General Motors
- Google Inc.
- Group Insurance Commission, MA
- Hilmar Cheese Company, Inc.
- The Home Depot
- Mercer
- Miami University (Ohio)
- Ohio Medicaid
- Ohio PERS
- Penn State University
- Pennsylvania Employees Benefit Trust Fund
- Pitney Bowes
- Qualcomm Incorporated
- Self-Insured Schools of California
- South Carolina Health & Human Services (Medicaid)
- Teacher Retirement System of Texas
- TennCare (Medicaid)
- Unite Here Health
- US Foods
- Walmart Inc.
- Wells Fargo & Company
- Willis Towers Watson

Provider Payment Reform by Payer

APM Measurement Results at a Glance

In **2018**,
35.8% of U.S. health care payments, representing approximately **226.5 million** Americans and **77%** of the covered population, flowed through Categories 3&4 models.
In each market, Categories 3&4 payments accounted for:



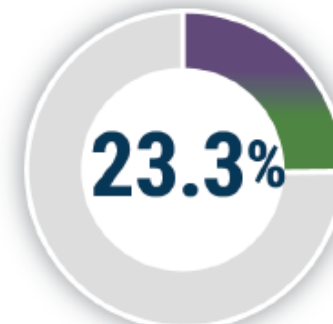
COMMERCIAL



MEDICARE
ADVANTAGE



TRADITIONAL
MEDICARE

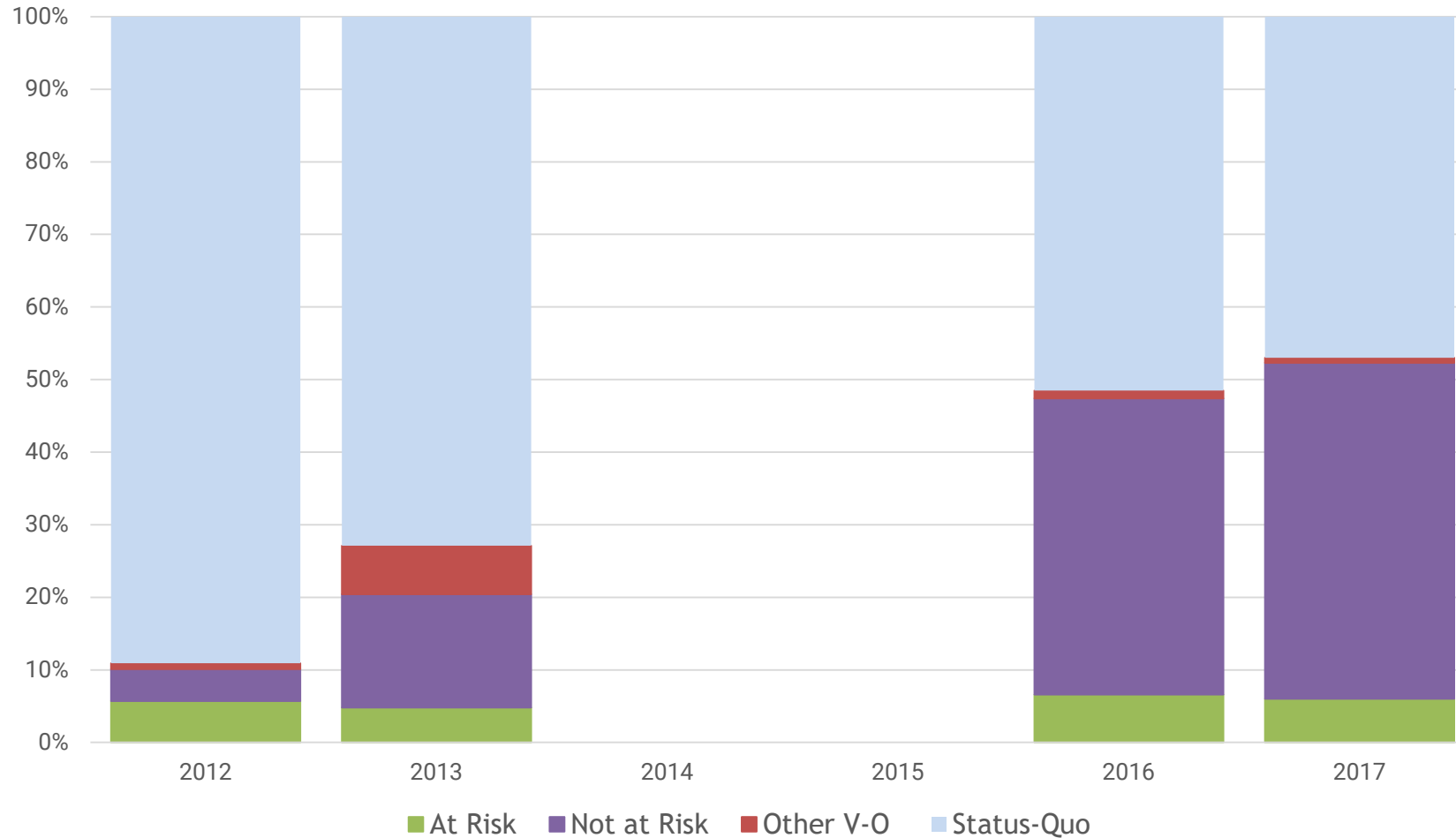


MEDICAID

Representativeness of covered lives: Commercial - 61%; Medicare Advantage - 67%; Traditional Medicare - 100%; Medicaid - 51%

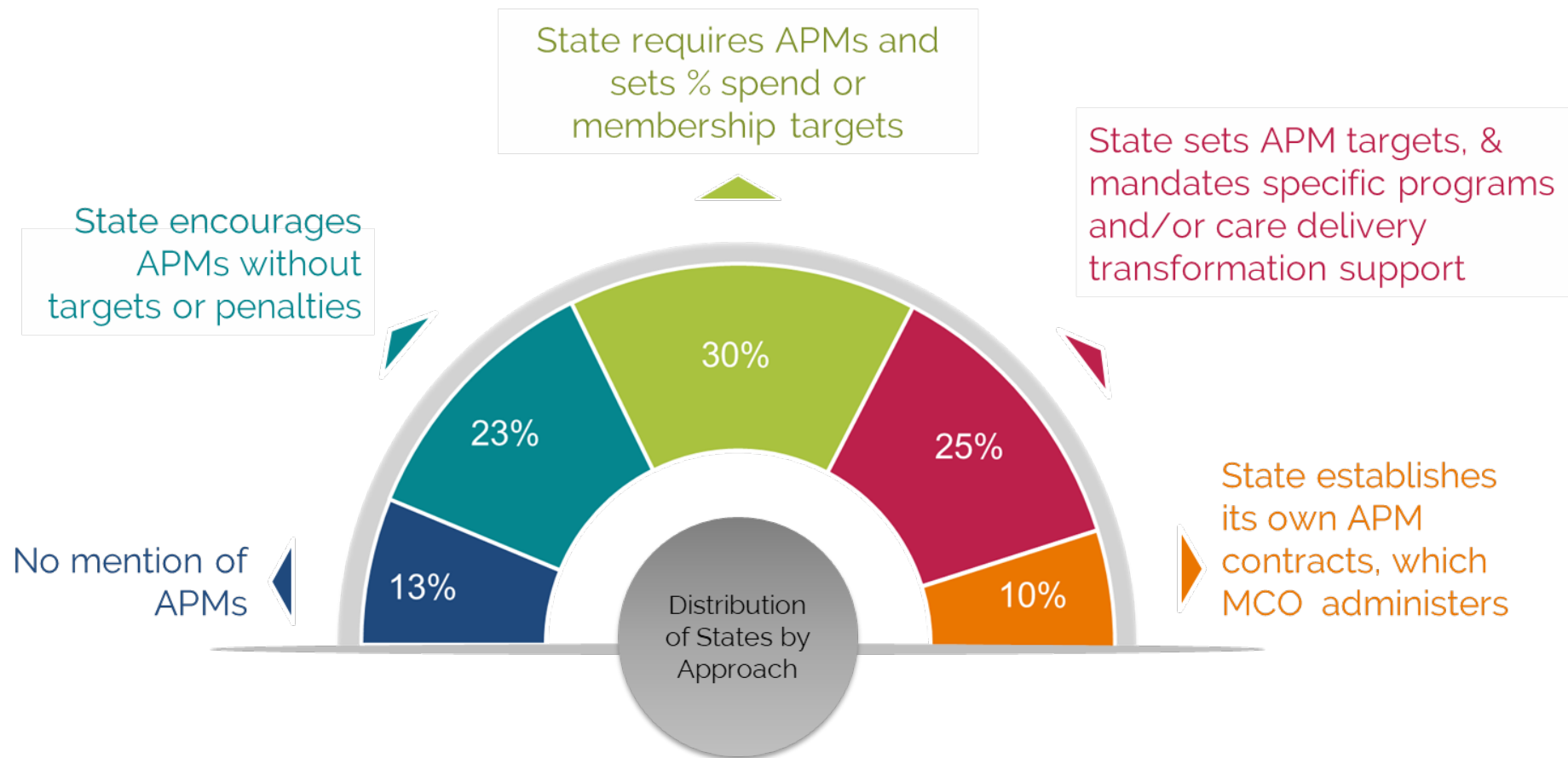
Breakdown of At-Risk & Not-At-Risk Payment Methods

Value-Oriented Payments that are “At Risk”



Spectrum of Approaches to Alternative Payment Models (APMs)

Analysis of 40 Medicaid Managed Care Model Contracts



Mixed Results for Reforms: Example of ACOs



An ACO is a high-performance network of providers that shares financial and medical responsibility for providing coordinated care to a patient population and eliminating waste in the system.

Medicare Shared Savings Program		Connected Care (Intel)		Regional Care Collaboratives (CO Medicaid)	
+	<ul style="list-style-type: none"> Consistently high quality scores 31% of ACOs received shared savings bonuses in 2016 	+	<ul style="list-style-type: none"> High patient experience and satisfaction scores Statistically significant improvements in diabetes care 	+	<ul style="list-style-type: none"> Adult participants had fewer hospital readmissions and ER services than control Total reduction in spending est. \$20 mill to \$30 mill FY 2011-2012
0	<ul style="list-style-type: none"> Unchanged performance on a portion of quality measures Screening use varied 			0	<ul style="list-style-type: none"> Use of ER services was about the same for children enrolled and not
-	<ul style="list-style-type: none"> For 2013 entrants, no early reductions in spending Medicare saw a net loss of \$39 million 	-	<ul style="list-style-type: none"> Total costs at year end were 3.6% higher than expected 	-	<ul style="list-style-type: none"> ER use was higher for enrolled participants with disabilities than those not enrolled

Can't say ACOs are a slam dunk when it comes to procuring higher-value care!

Mixed Results for Reforms: Example of Bundled Payment



Bundled Payments for Care Improvement (BPCI)	
+	<ul style="list-style-type: none"> 21% lower total spending per joint replacement episode without complications 1% reduction in ER visits and readmissions
0	<ul style="list-style-type: none"> Mixed impact on quality measures - some improved, some stayed the same and some worsened
-	<ul style="list-style-type: none"> For spinal surgery episodes, average Medicare payments increased more for the hospitalization and 90-day post-discharge period for the BPCI than comparison

Health Care Payment Improvement Initiative (Arkansas)	
+	<ul style="list-style-type: none"> AR BCBS trend decreased for average LOS for inpatient admissions for TJR, from 2.7 days in baseline year to 2.6 days in 2013 and 2.3 days in 2014 Medicaid 30-day wound infection rate improved to 1.7% for 2014, down from 2% in 2013
-	<ul style="list-style-type: none"> Medicaid post-operation TJR complication rate worsened from 8% in 2013 to 14.1% in 2014

Bundles for Maternity Care (PBGH)	
+	<ul style="list-style-type: none"> Reduction of cesareans by 20% Savings of \$5,000 per averted cesarean delivery

Bundled payments are promising, but the details matter!

Can't say bundled payments are a slam dunk either!

THANK YOU

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