Nationwide Quality Improvement and Healthcare Transformation

3rd Annual USC Conference on Optimizing Medication Safety and Healthcare Quality

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CMS Center for Clinical Standards and Quality

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Thank You

For the hard work you are doing to improve and transform our nation’s healthcare system. This is not easy work.

For your commitment to improving the care of our patients and beneficiaries.
Questions to Run On

- What is happening nationally with healthcare delivery reform and Secretary Burwell’s goals?
- What can we do to maximize the impact of our shared work to contribute to national healthcare transformation?

  ➢ What Aims do/should drive our work together?

- How does the nation get better care, better health, smarter spending?
Delivery System and Payment Transformation

**Current State** – Producer-Centered
- Volume Driven
- Unsustainable
- Fragmented Care
- FFS Payment Systems

**Future State** – People-Centered
- Outcomes Driven
- Sustainable
- Coordinated Care
- New Payment Systems (and many more)
  - Value-based purchasing
  - ACOs, Shared Savings
  - Episode-based payments
  - Medical Homes and care mgmt
  - Data Transparency
Better Care, Smarter Spending, Healthier People

**Focus Areas**

**Incentives**
- Promote value-based payment systems
  - Test new alternative payment models
  - Increase linkage of Medicaid, Medicare FFS, and other payments to value
- Bring proven payment models to scale

**Care Delivery**
- Encourage the integration and coordination of services
- Improve population health
- Promote patient engagement through shared decision making

**Information**
- Create transparency on cost and quality information
- Bring electronic health information to the point of care for meaningful use

Source: Burwell SM. Setting Value-Based Payment Goals — HHS Efforts to Improve U.S. Health Care. NEJM 2015 Jan 26; published online first.
Affordable Care Act Impacts

• Expansion of Health Insurance Coverage -> Decreased Uninsured Rates

• Slower Growth in Health Care Costs

• Improved Quality of Care

Source: Furman J, Fiedler M – Continuing the Affordable Care Act’s Progress on Delivery System Reform is an Economic Imperative.
According to the Congressional Budget Office, federal spending on major health care programs in 2020 will be $200 Billion lower than predicted in 2010.

### CBO Projections of Federal Spending on Major Health Programs

**Percent of GDP**

- **August 2010 CBO Projections**
- **March 2015 CBO Projections** (incl. actuals through FY14)

Source: Congressional Budget Office; CEA calculations.

Note: The August 2010 GDP estimates have been adjusted for major NIPA revisions in the summer of 2013. Without these revisions, the decline since August 2010 would be larger.
'Jaw-dropping': Medicare deaths, hospitalizations AND costs reduced

Sample consisted of 68,374,904 unique Medicare beneficiaries (FFS and Medicare Advantage).

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2013</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>All-cause mortality</td>
<td>5.30%</td>
<td>4.45%</td>
<td>-0.85% (approx. 300,000 deaths per year)</td>
</tr>
<tr>
<td>Total Hospitalizations/100,000 beneficiaries</td>
<td>35,274</td>
<td>26,930</td>
<td>-8,344 (approx. 3 million hospitalizations per year)</td>
</tr>
<tr>
<td>In-patient Expenditures/Medicare fee-for-service beneficiary</td>
<td>$3,290</td>
<td>$2,801</td>
<td>-$489</td>
</tr>
</tbody>
</table>
| End of Life Hospitalization (last 6 months)/100 deaths | 131.1  | 102.9  | -28.2                          

Findings were consistent across geographic and demographic groups.
How does the nation get...

Better Care, Better Health

...and Smarter Spending?
Aims & Results: a choice we make every day

What will the future be?

Today
A practical choice on Aims (ends)

The future is what I have the means to accomplish, right now.

“Pay me more to deliver a marginal increase in services.”
A leadership choice – breakthrough Aims

“I want to see something much better.”

Value

Practical

Current Drift

Time

Today
How do I get from here to there?

Value

The Future I Stand For

Breakthrough Aims

Practical

Current Drift

Today

Time
Emergent Strategy: Stand For Them, Enroll Others, Persist, Learn, Evolve...Fast
The Nation is Achieving Bold Goals Through Systematic Quality Improvement at National Scale

• Quality Improvement Organizations (QIO) 11th Scope of Work
• ESRD Networks
• Transforming Clinical Practice Initiative (TCPI)
• Partnership for Patients (PfP)
• Targeted New Technical Assistance Authorized Through MACRA Statute
G O A L S:

40% Reduction in Preventable Hospital-Acquired Conditions
1.8 Million Fewer Injuries | 60,000 Lives Saved

20% Reduction in 30-Day Readmissions
1.6 Million Patients Recover without Readmission

Aims Create Systems; Systems Create Results

Source: Partnership for Patients
2010 to Interim 2014: 145 to 120 HACs

<table>
<thead>
<tr>
<th>Year</th>
<th>All Other HACs</th>
<th>(Post-op) Venous Thromboembolisms</th>
<th>Ventilator-Associated Pneumonias</th>
<th>Surgical Site Infections</th>
<th>Pressure Ulcers</th>
<th>Obstetric Adverse Events</th>
<th>Falls</th>
<th>Central Line-Associated Bloodstream Infections</th>
<th>Catheter-Associated Urinary Tract Infections</th>
<th>Adverse Drug Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 Baseline HAC Rates</td>
<td>27.3</td>
<td>40.3</td>
<td>7.9</td>
<td>12.2</td>
<td>49.5</td>
<td>48.7</td>
<td>145</td>
<td>7.9</td>
<td>12.2</td>
<td>49.5</td>
</tr>
<tr>
<td>2011 Rates</td>
<td>26.7</td>
<td>40.4</td>
<td>7.8</td>
<td>11.3</td>
<td>48.7</td>
<td>48.7</td>
<td>142</td>
<td>7.8</td>
<td>11.3</td>
<td>48.7</td>
</tr>
<tr>
<td>2012 Rates</td>
<td>25.7</td>
<td>39.4</td>
<td>7.2</td>
<td>10.6</td>
<td>41.9</td>
<td>41.9</td>
<td>132</td>
<td>7.2</td>
<td>10.6</td>
<td>41.9</td>
</tr>
<tr>
<td>2013 Rates</td>
<td>25.1</td>
<td>32.5</td>
<td>7.2</td>
<td>8.8</td>
<td>40.3</td>
<td>40.3</td>
<td>121</td>
<td>7.2</td>
<td>8.8</td>
<td>40.3</td>
</tr>
<tr>
<td>Interim 2014 HAC Rates</td>
<td>26.6</td>
<td>30.9</td>
<td>7.9</td>
<td>7.6</td>
<td>41.4</td>
<td>41.4</td>
<td>121</td>
<td>7.6</td>
<td>7.6</td>
<td>41.4</td>
</tr>
<tr>
<td>PFP HAC Rate Goals</td>
<td>22.5</td>
<td>33.2</td>
<td>6.5</td>
<td>10.1</td>
<td>40.8</td>
<td>40.8</td>
<td>120</td>
<td>10.1</td>
<td>10.1</td>
<td>40.8</td>
</tr>
</tbody>
</table>
National Momentum on Patient Safety
Substantial Progress Thru 2014, Compared to 2010 Baseline

- 17 percent reduction in overall harm; 39 percent reduction in preventable harm
- 87,000 lives saved
- $19.8B in cost savings from harm avoided
- 2.1M fewer harms over 4 years

New York Times “Fixes” looks at solutions to social problems and why they work.

Part 1: Reducing Preventable Harm in Hospitals
By David Bornstein January 26, 2016
January 26, 2016 108 Comments

Part 2: Hospitals Focus on Doing No Harm
By David Bornstein February 2, 2016
February 2, 2016 82 Comments

URL, Part 1:
How quality improvement impacts patient safety - Results of QIO 10th SOW
# Transforming Clinical Practice Goals

1. Support more than 140,000 clinicians in their practice transformation work

2. Improve health outcomes for millions of Medicare, Medicaid and CHIP beneficiaries and other patients

3. Reduce unnecessary hospitalizations for 5 million patients

4. Generate $1 to $4 billion in savings to the federal government and commercial payers

5. Sustain efficient care delivery by reducing unnecessary testing and procedures

6. Build the evidence base on practice transformation so that effective solutions can be scaled
What are the 5 Phases of TCPI?

1. Set Aims
2. Use Data to Drive Care
3. Achieve Progress on Aims
4. Achieve Benchmark Status
5. Thrive as a Business via Pay for Value Approaches
Practice Transformation in Action

Transforming Clinical Practice would employ a **three-prong approach** to national technical assistance.

- **Aligned federal and state programs with support contractor resources**
- **Practice Transformation Networks to provide on the ground support to practices**
- **Support and Alignment Networks to achieve alignment with medical education, maintenance of certification, more**

This technical assistance would enable large-scale transformation of more than **140,000 clinicians’ and their practices** to deliver **better care and result in better health outcomes at lower costs**.
Transforming Clinical Practice Initiative:
Support & Alignment Networks (SANs)

- American College of Emergency Physicians
- American College of Physicians, Inc.
- American College of Radiology
- American Medical Association
- American Psychiatric Association
- HCD International, Inc.
- National Nursing Centers Consortium
- Network for Regional Healthcare Improvement
- Patient Centered Primary Care Foundation
- The American Board of Family Medicine, Inc.
Transforming Clinical Practice Initiative: Practice Transformation Networks (PTNs)

• Arizona Health-e Connection
• Baptist Health System, Inc.
  ➢ Children's Hospital of Orange County
• Colorado Department of Health Care Policy & Financing,
• Community Care of North Carolina, Inc.
• Community Health Center Association of Connecticut, Inc.
• Consortium for Southeastern Hypertension Control
• Health Partners Delmarva, LLC
• Iowa Healthcare Collaborative
  ➢ Local Initiative Health Authority of Los Angeles County
• Maine Quality Counts
• Mayo Clinic
• National Council for Behavioral Health
• National Rural Accountable Care Consortium
• New Jersey Innovation Institute
• New Jersey Medical & Health Associates dba CarePoint Health
• New York eHealth Collaborative
• New York University School of Medicine
  ➢ Pacific Business Group on Health
• PeaceHealth Ketchikan Medical Center
• Rhode Island Quality Institute
• The Trustees of Indiana University
• VHA/UHC Alliance Newco, Inc.
• University of Massachusetts Medical School
• University of Washington
• Vanderbilt University Medical Center
• VHQC
• VHS Valley Health Systems, LLC
• Washington State Department of Health
Goals for Payment Reform

**Medicare Fee-for-Service**

**GOAL 1:** 30%
Medicare payments are tied to quality or value through alternative payment models where the provider is accountable for quality and total cost of care by the end of 2016, and 50% by the end of 2018.

**GOAL 2:** 85%
Medicare fee-for-service payments are tied to quality or value by the end of 2016, and 90% by the end of 2018.

**NEXT STEPS:**
- Testing of new models and expansion of existing models will be critical to reaching incentive goals.
- Creation of a Health Care Payment Learning and Action Network to align incentives between public and private sector players.

**STAKEHOLDERS:**
- Consumers
- Businesses
- Payers
- Providers
- State Partners

**Set internal goals for HHS**

**Invite private sector players to match or exceed HHS goals**
# Payment Taxonomy Framework

## Category 1: Fee for Service - No Link to Quality
- Limited in Medicare fee-for-service
- Majority of Medicare payments now are linked to quality

## Category 2: Fee for Service - Link to Quality
- Hospital value-based purchasing
- Physician Value-Based Modifier
- Readmissions/Hospital Acquired Condition Reduction Program

## Category 3: Alternative Payment Models Built on Fee-for-Service Architecture
- Accountable care organizations
- Medical homes
- Bundled payments
- Comprehensive primary care initiative
- Comprehensive ESRD
- Medicare-Medicaid Financial Alignment Initiative Fee-For-Service Model

## Category 4: Population-Based Payment
- Eligible Pioneer accountable care organizations in years 3-5

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**Medicare FFS**

- Limited in Medicare fee-for-service
- Majority of Medicare payments now are linked to quality

**Hospital value-based purchasing**

**Physician Value-Based Modifier**

**Readmissions/Hospital Acquired Condition Reduction Program**

**Accountable care organizations**

**Medical homes**

**Bundled payments**

**Comprehensive primary care initiative**

**Comprehensive ESRD**

**Medicare-Medicaid Financial Alignment Initiative Fee-For-Service Model**

**Eligible Pioneer accountable care organizations in years 3-5**
Target percentage of payments in ‘FFS linked to quality’ and ‘alternative payment models’ by 2016 and 2018

<table>
<thead>
<tr>
<th>Year</th>
<th>FFS linked to quality (Categories 2-4)</th>
<th>Alternative payment models (Categories 3-4)</th>
<th>All Medicare FFS (Categories 1-4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>0%</td>
<td>~20%</td>
<td>68%</td>
</tr>
<tr>
<td>2014</td>
<td>&gt;80%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>85%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>90%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Goals

Historical Performance

Goals

- FFS linked to quality (Categories 2-4)
- Alternative payment models (Categories 3-4)
- All Medicare FFS (Categories 1-4)
’(11) TECHNICAL ASSISTANCE TO SMALL PRACTICES AND PRACTICES IN HEALTH PROFESSIONAL SHORTAGE AREAS.—

“(A) IN GENERAL.—The Secretary shall enter into contracts or agreements with appropriate entities (such as quality improvement organizations, regional extension centers (as described in section 3012(c) of the Public Health Service Act), or regional health collaboratives) to offer guidance and assistance to MIPS eligible professionals in practices of 15 or fewer professionals (with priority given to such practices located in rural areas, health professional shortage areas (as designated under in section 332(a)(1)(A) of such Act), and medically underserved areas, and practices with low composite scores) with respect to—

“(i) the performance categories described in clauses (i) through (iv) of paragraph (2)(A); or

“(ii) how to transition to the implementation of and participation in an alternative payment model as described in section 1833(z)(3)(C).

H. R. 2—25

“(B) FUNDING FOR TECHNICAL ASSISTANCE.—For purposes of implementing subparagraph (A), the Secretary shall provide for the transfer from the Federal Supplementary Medical Insurance Trust Fund established under section 1841 to the Centers for Medicare & Medicaid Services Program Management Account of $20,000,000 for each of fiscal years 2016 through 2020. Amounts transferred under this subparagraph for a fiscal year shall be available until expended.
Basic Info on MACRA Technical Assistance Implementation

- CMS anticipates a full and open national competition to implement TA provision of MACRA statute

- Quality Improvement Organizations, Regional Extension Centers, Regional Health Collaboratives and others will be eligible to compete

- Eligible entities are encouraged to partner
Our shared work to improve care is supported at the highest levels: President Barack Obama with HHS Secretary Sylvia Mathews Burwell, National Coordinator & Assistant Secretary Karen DeSalvo, and CMS Deputy Administrator Patrick Conway.
What can you do to help our system achieve the goals of Better Care, Smarter Spending, and Healthier People?

- **Focus** on better care, smarter spending, and better health for the patient population you serve
- **Eliminate** patient harm
- **Engage** in accountable care and other alternative contracts that move away from fee-for-service to model based on achieving better outcomes at lower cost
- **Invest** in the quality and safety infrastructure necessary to improve
- **Share** data and be transparent about performance
- **Research** to inform policy and implementation research
- **Test** new innovations and scale successes rapidly
- **Relentlessly pursue** improved health outcomes
Questions for Discussion and Action

• What is your assessment of national progress? Are things getting better?

• What ways are you or your organization contributing to progress towards the Secretary’s goals and other Aims?

• What are your insights about this work?
Contact Information:

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