

PAYMENT REFORM – WHAT IS IT AND IS IT WORKING?

Paula H. Song, Ph.D

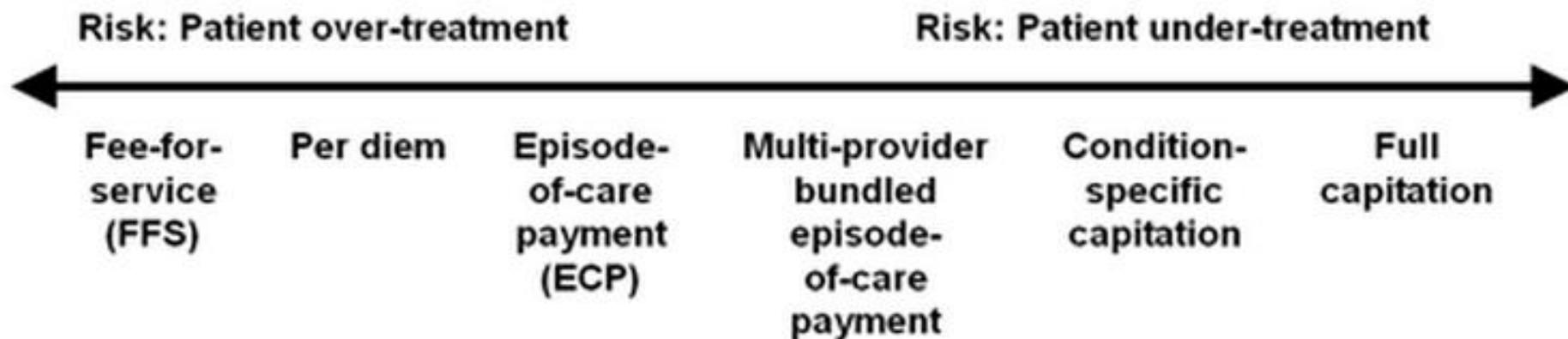
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What is Payment Reform?

Payment methods that reflect or support provider performance, especially the quality and safety of care that providers deliver, and are designed to spur provider efficiency and reduce unnecessary spending.

-Catalyst for Payment Reform

Continuum of Health Care Payment Models



H. D. Miller, *Creating Payment Systems to Accelerate Value-Driven Health Care: Issues and Options for Policy Reform* (New York: The Commonwealth Fund, Sept. 2007).

The ACA & New Payment Models

- Bundled Payments
- Episodes of Care
- Value-Based Purchasing
- Accountable Care Organizations (ACOs)
 - Medicare Shared Savings Programs (MSSPs)
 - Medicare Pioneer Program
 - Commercial ACOs
 - Medicaid ACOs

*All of these models are intended to improve
both quality and efficiency!!*

Is It Working?



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Early Observations Show Safety-Net ACOs Hold Promise To Achieve The Triple Aim And Promote Health Equity

September 15th, 2014

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SHORT TAKES ON NEWS & EVENTS

One-Quarter Of ACOs Save Enough Money To Earn Bonuses

By **Jordan Rau**
SEPTEMBER 16TH, 2014, 4:11 PM

About a quarter of the 243 groups of hospitals and doctors that banded together as accountable care organizations under the Affordable Care Act saved Medicare enough money to earn bonuses, the Centers for Medicare & Medicaid Services announced Tuesday.

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BREAKING NEWS: Medicare's Pioneer ACO Program Loses Three More Participants

September 25, 2014 by [Rajiv Leventhal](#) and [Mark Hagland](#)



Program began with 32 participants; now down to 19

Evidence to Date

- Mixed Results
 - Evidence of Cost Savings
 - Evidence of Improved Quality
- Provider ability to bear risk variable
- Spillover effects

Challenges with New Delivery and Payment Models

- Requires Good Data
 - Availability
 - Quality
 - Timeliness
- Patient Attribution Models
- Start-up Costs
- Requires cultural shift

Facilitators of New Delivery and Payment Models

- Local Market Context Matters
- Leadership commitment, physician engagement
- Improved Information Technology (IT) infrastructure and data reporting capabilities
- Prior experience managing risk

Still Much To Learn...Research Can Inform Practice and Vice Versa

- New Payment Models = “Mini-lab” experiments
- Rapidly Developing Markets
- Identification of meaningful performance metrics
- Impact on population health, health care costs and patient experience?
- What model “works”? And under what circumstances?

Thank you!

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