



CMS/Maryland All-Payer Model Annual Meeting

September 2016

Today's Discussion

- ▶ Maryland's All-Payer Model Performance
- ▶ Overview of Efforts to Transform Maryland's Health Care System
- ▶ How Can Maryland and CMS Partner for Success
- ▶ Discussion and Input

Key Accomplishments of the All-Payer Model

Payment and delivery system transforming

- ▶ Hospitals—volume to global, aligned value based incentives
- ▶ Delivery systems, payers, and regional partnerships organizing and transforming
- ▶ IT and care coordination infrastructure expanded
- ▶ Broad stakeholder participation contributing to success

Key Accomplishments of the All-Payer Model

Creating value

- ▶ All payer hospital growth contained even as access under ACA expanded
- ▶ Medicare savings on track, keeping pace with low national growth rates without cost shifting
- ▶ Quality improving and readmissions going down, benefiting patients
- ▶ Care coordination and care transition resources strengthening, providing better support for patients after hospitalizations

Challenges and Areas to Address

Multi-year timeline ahead to build infrastructure and transform the system

- ▶ Care coordination supports and infrastructure
- ▶ Care supports for complex and chronically ill
- ▶ Alignment tools to overcome largely fee-for-service model for non-hospital providers
- ▶ Data and alignment tools/flexibility from CMS
- ▶ Engagement of consumers, families, communities and public
- ▶ Also: Keeping pace in reducing avoidable hospital utilization in excess of non-hospital investments

Progression Plan Due to CMS

- ▶ **Model progression plan due to CMS by the end of 2016**
 - ▶ Plan to continue All-Payer Model
 - ▶ Must address system-wide costs (TCOC) and outcomes for Medicare patients
 - ▶ Maryland also addressing Medicaid costs for dually eligible beneficiaries

Goal: Fundamentally Transform the Maryland Health Care System

- ▶ Providing person-centered care,
- ▶ Improving care delivery and outcomes,
- ▶ Improving the health of the population,
- ▶ While moderating the growth in costs
- ▶ Leveraging and maintaining All Payer applicability and benefits
 - ▶ Focus on Medicare and Dual-Eligible TCOC and outcomes in the near term

Strategies Maryland is Considering for Progression

- ▶ Transition to increased levels of engagement and responsibility for system-wide costs and outcomes over time
 - ▶ Develop a focused portfolio of payment and delivery system transformations to support key goals
 - ▶ Engage all providers and stakeholders, harmonizing incentives and aligning activities
 - ▶ Leverage MACRA
 - ▶ Develop and support groups of providers taking system-wide responsibility for costs and patient and population outcomes

Progression Will Maintain Focus on Key Opportunities

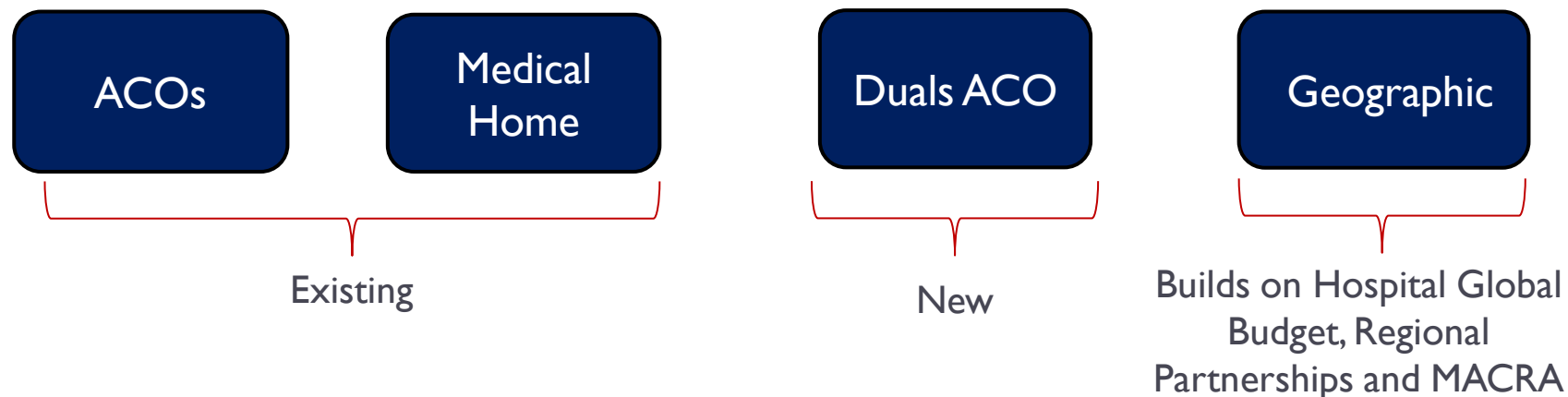
- ▶ Incorporate/Expand tailored person-centered approach
- ▶ Approximately 3/4 of Medicare TCOC related to a hospitalization. Key opportunities:
 - ▶ Reducing potentially avoidable hospitalizations
 - ▶ Ensuring high quality efficient episodes with optimal outcomes
- ▶ For dually-eligibles, just under 1/2 of Medicaid costs consist of custodial care in long-term care facilities, approximately 40% in home and community based services. Key opportunities:
 - ▶ Reducing the need for high level custodial care
 - ▶ Ensuring high quality, well coordinated services

Summary of Key Strategies Maryland for 2017 through 2024

- I. **Continue and strengthen All-Payer Model**
 - ▶ Focus on implementing supports for complex and high needs persons and efficient well coordinated episodes
 - II. **Create a pathway for all providers to align with key goals of All-Payer Model**
 - ▶ Use Care Redesign Amendment to support aligned efforts for high needs patients and hospital episodes
 - ▶ Create opportunities for MACRA participation under Advanced Alternative Payment Models
 - ▶ Develop approaches to align and harmonize efforts and incentives
 - III. **Leverage Primary Care Home for Medicare beneficiaries, building on and supporting developing provider/payer efforts**
 - ▶ Tailored person-centered care, chronic care management with a focus on high needs persons, and innovative payments that support new delivery approaches using CPC+ base
 - IV. **Develop other aligned payment and delivery system changes**
 - ▶ (e.g. Long-term and post-acute, other MACRA models, etc.)
 - V. **Develop/support groups of providers engaging patients and taking system-wide responsibility**
 - ▶ Initial focus on TCOC for Medicare and Medicaid costs for dual-eligible
-

Overview of Progression Components

Support Groups of Providers Taking Responsibility for Cost and Outcomes of Medicare Fee-for-Service Beneficiaries



Supporting Payment/Delivery Approaches with All Payer Applicability

Global Hospital Budgets and Regional Partnerships
Amendment--Complex/Chronic Care, Hospital Care/Episodes
Primary Care Home--Chronic care, Visit budget flexibility
Incentive Harmonization
Post-acute and Long-term Care Initiatives
Other MACRA-eligible programs

Leverage Mutually Beneficial Models

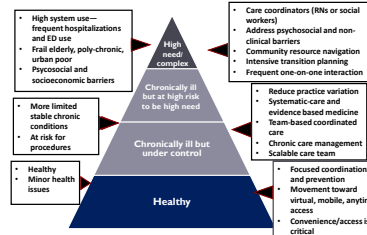
Hospital Global Model, ACOs, PCMH

Hospitals, care partners, regional partners and payers focused on population of patients



Common Approaches and Aligned Measures

Person-centered care tailored to needs



Risk stratification (esp for high needs persons)

Care coordination

Complex/Chronic care management

Reduction of avoidable utilization

Harmonized incentives aligned with

total cost of care, health, and outcomes goals

Primary Care Home Model

Patient Designated Providers (PDPs) are focused on their panel of patients



Potential Timeline

Care Redesign and Infrastructure Development

Increasing System-Wide Responsibility Over Time

MACRA



Begin to implement MACRA-eligible models

Second Phase of All-Payer Model Begins

2017



2018



2019



2020-2024

- Care Redesign Amendment
- Continuing infrastructure development and transformation
- Increase supports for high need patients

- Primary Care Home model
- Begin Incentive Harmonization
- Developing and organizing geographic and regional efforts

- Increasing responsibility for Medicare and Dual Eligible Total Cost of Care and outcomes with groups of providers as capabilities mature
- Implementing payment and delivery systems to align and harmonize efforts and incentives
- Implementing approaches to engage patients, communities and public health

How Can Maryland and CMS Partner for Success

I. Continue the All-Payer Model, adding components that engage and create value for all stakeholders

- ▶ Strengthen strategies that are already underway
- ▶ Bring infrastructure to scale, focus on complex/high needs persons, give time for new components, and discontinue unsuccessful approaches without undermining the base model

II. Promote person-centered care

- ▶ Leverage primary care home model based on CPC+ and other aligned approaches

III. Develop a phased and scalable approach, increasing responsibility over time



How Can Maryland and CMS Partner for Success (cont.)

IV. Leverage flexibility in adoption and implementation of innovations

- ▶ Additional flexibility with responsibility
- ▶ Waivers

V. Maximize MACRA statewide in Maryland

- ▶ Support ability to attach physicians to the All-Payer Model as a MACRA-eligible model, creating synergy in approaches and incentives

VI. Support CMS testing of payment approaches, use of EHRs to improve care/health

- ▶ Tests of new payment approaches at scale that are aligned and harmonized with the All-Payer Model
- ▶ Leveraging EHRs and HIE at point of care to improve care

VII. Others

- ▶ Maryland could focus on optimal use of retail pharmacy drugs, while not proposing risk. Ideal target for Primary Care Home model.



Appendix



All-Payer Model Results to Date

Performance Measures

All-Payer Revenue Growth

Medicare Savings in Hospital Expenditures

Medicare Savings in Total Cost of Care

All-Payer Quality Improvement Reductions in PPCs under MHAC Program

Readmissions Reductions for Medicare

Hospital Revenue to Global or Population-based

Targets

≤ 3.58% per capita annually

≥ \$330m over 5 years
(Lower than national avg growth rate)

(Lower than the national avg growth rate)

30% reduction over 5 years

≤ National avg over 5 years

≥ 80% by Year 5

CY 2014 Results

1.47% per capita in CY14

\$116m in CY14
(2.15% below national avg)

\$133m in CY14
(1.53% below national avg)

25.6% reduction in CY14

0.25% gap decrease between Maryland & the nation in CY14

95% by CY14

Preliminary CY 2015 Results

2.31% per capita in CY15

\$135m in CY15
\$251m in aggregate
(0.04% below national avg)
(2.22% below national avg in aggregate)

\$80m in CY15
\$213m in aggregate
(0.71% above national avg)
(0.85% below national avg in aggregate)

7.3% reduction in CY15
35.4% reduction in aggregate

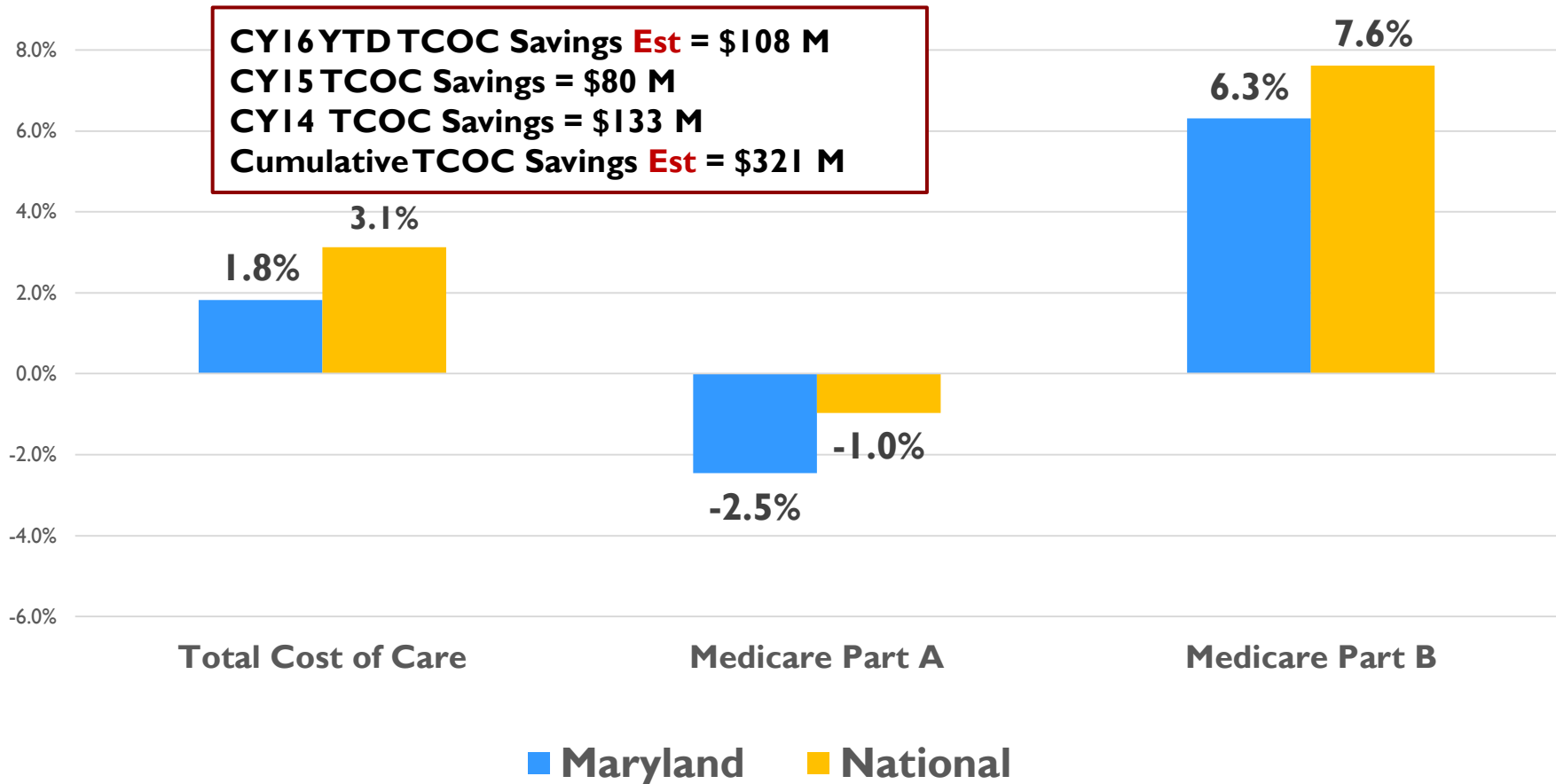
0.44% decrease between MD & the nation in CY15
0.69% gap decrease in aggregate

96% by CY15



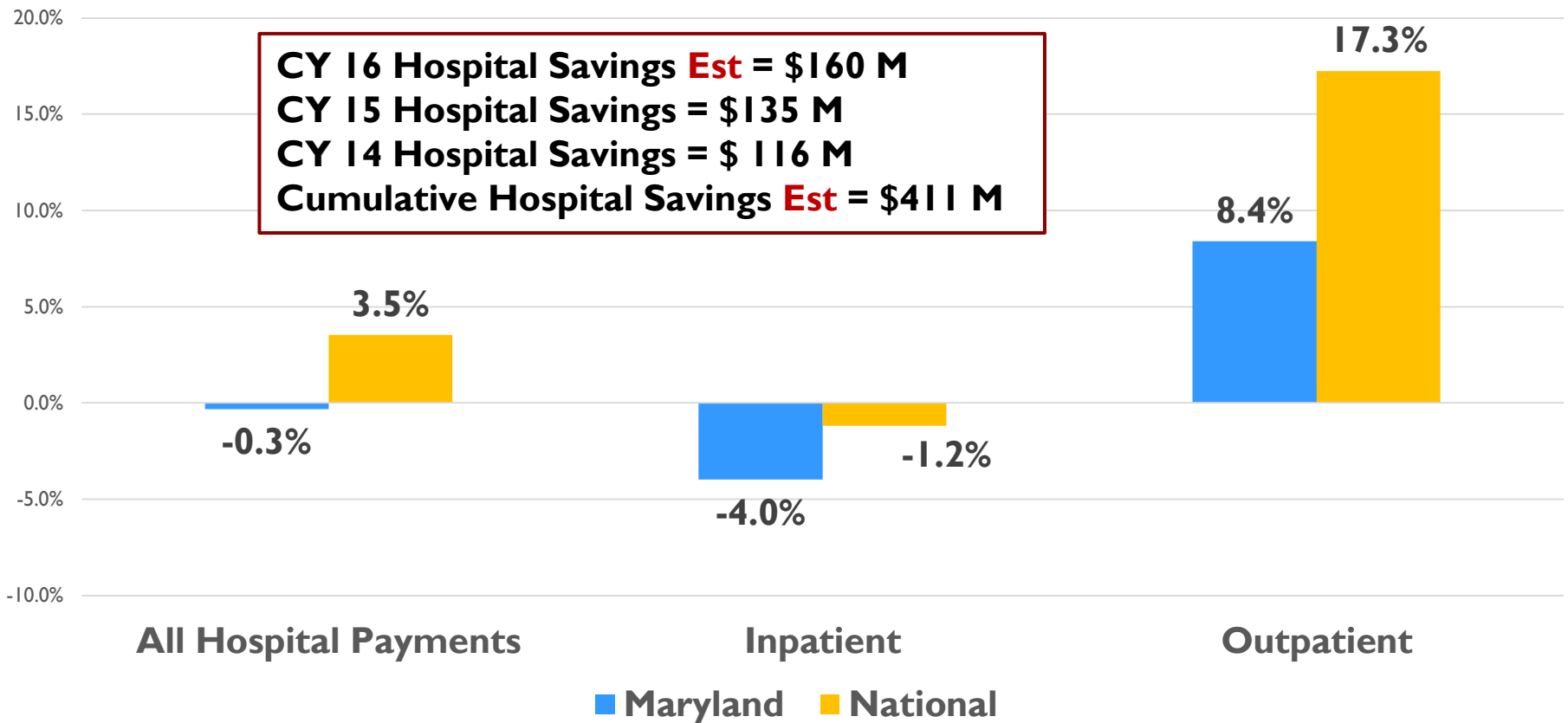
Medicare Total Cost of Care Savings Per Beneficiary Exceed Requirements

Cumulative Weighted Growth and Savings Since CY 2013 Base through June 2016



Medicare Hospital Cost of Care Savings Per Beneficiary Exceed Requirements

**Cumulative Weighted Growth and Savings Versus CY 2013 Base
Period through June 2016**



Medicare TCOC Growth Year over Year (with completion) CYTD through June 2016 Est.

Estimated, subject to change. Growth patterns may change in second six months.

