

Session IV: Health Care Delivery System Reform

Karen Davis

Eugene and Mildred Lipitz Professor

Director, Roger C. Lipitz Center for Integrated Health Care

Department of Health Policy and Management

Johns Hopkins Bloomberg School of Public Health

kadavis@jhsph.edu

The U.S. Health Care System in Transition
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Setting the Stage for Reform

- Patient Protection and Affordable Care Act
- CMS Innovations in payment and delivery pilot and demonstration projects
- Moving away from fee-for-service provider payment
- Assumptions of full or partial risk by provider organizations



FUTURE TRENDS

Current System

- Business case depends on providing lots of profitable services paid for by insurance
- Silos in care primary care, specialty care, hospital care, post-acute care, long-term care
- Fee-for-service payment, reward for specialized services and procedures
- Profitable and unprofitable services
- Profitable and unprofitable patients
- Navigating regulatory and market environment

Future System

- Business case depends on reducing total cost of caring for defined population while achieving excellent patient outcomes and experiences
- Health systems and accountable care organizations including hospitals, physicians, other health professionals; partnerships with insurers
- Global payment, bundled payment, blended payment, value-based payment with provider organization at full or partial risk; strong primary care
- Profitability depends on LEAN provision of care; quality improvement; team-approach to care; high-cost care management
- Culturally competent care for newly insured; minority populations
- Public reporting and accountability

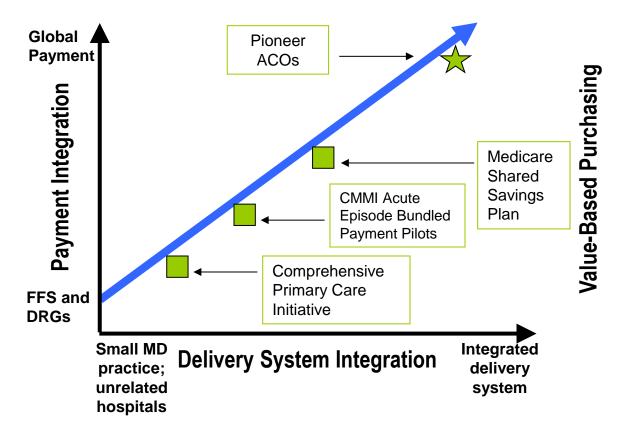
Payment Innovation to Support Care Coordination and Integration

- Goal: Create incentives for better care and lower cost throughout the continuum of health care services
- Tools: Primary care, payment reform, health information technology, data on comparative performance, technical assistance
 - Patient-Centered Medical Homes
 - Bundled Payment
 - Accountable Care Organizations
 - Value-Based Purchasing
 - Community Care Transitions
 - Dual Eligibles



Payment and Delivery System Reforms Support a High Performance Health System

Payment and Delivery System Integration





Source: Modified from The Commonwealth Fund, *The New Wave of Innovation: How the Health Care System Is Reforming*, (New York: Columbia Journalism Review, November 2011); A. Shih, K. Davis, S. Schoenbaum, A. Gauthier, R. Nuzum, and D. McCarthy, *Organizing the U.S. Health Care Delivery System for High Performance* (New York: The Commonwealth Fund, Aug. 2008

Bernadette Loftus, M.D.
Associate Executive Medical Director
The Permanente Medical Group



Liora Bowers, M.B.A., M.P.H.

Director of Health Policy and Practice

Berkeley Forum for Improving California's Healthcare Delivery System



Francis (Jay) Crosson, M.D.

Group Vice President, Physician Satisfaction and Care Delivery Payment

American Medical Association



TODAY'S PANEL



Discussion: The Promise and The Challenge

The Promise

 Potential contribution of delivery system reform to achieving the Triple Aim of better care, better outcomes, and lower costs

The Challenges

- Implementation and execution of ACO and other integrated delivery system forms of care
- Spread
- Potential physician blacklash, especially among specialists
- Potential patient backlash, especially when perception of skimping, limiting choice, denying care
- Market power of large health systems, technology/arms race
- Decline of comprehensive employer coverage and commercial HMO coverage
- Political fragility of ACA legislation and implementation



Thank You!



Eva Chang Graduate Assistant Johns Hopkins Bloomberg School of Public Health echang@jhsph.edu

