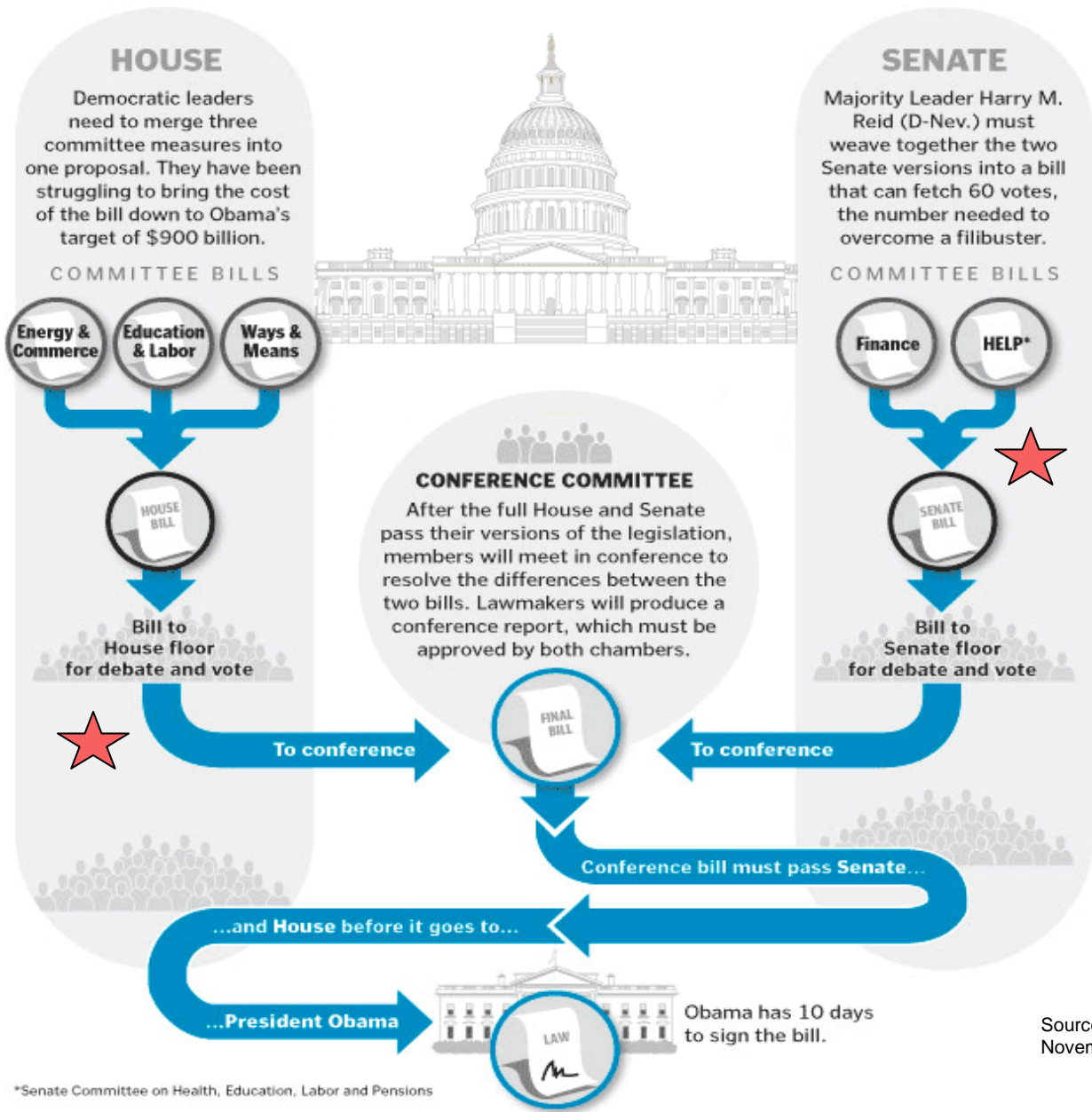


AF4Q and Health Reform

Michael W. Painter
Jane Hyatt Thorpe
Lara Cartwright-Smith

November 20, 2009



*Senate Committee on Health, Education, Labor and Pensions

Source: The Washington Post, November 8, 2009

Health Reform in Four Acts

- **Act I**
 - American Reinvestment and Recovery Act (ARRA), enacted February 2009
- **Act II**
 - Children’s Health Insurance Program Reauthorization Act (CHIPRA), enacted February 2009
- **Act III**
 - National health reform, enacted ???
- **Act IV**
 - After reform legislation passed, implementation and other issues yet to be resolved

Some Consensus . . .

- Individual mandate
- Employer play or pay, with exceptions for small businesses
- New exchange-based health insurance market to increase access to affordable coverage
- Limits on insurance discrimination
- Minimum benefit design standards for coverage and cost sharing
- Strengthened Medicare and Medicaid coverage
- Medicare and Medicaid payment reforms to improve quality and increase efficiency
- New mechanisms for performance measurement and reporting

Debate Continues . . .

- Federal vs. state government as primary regulator of insurance market and operator of exchange
- Public plan option
- Co-ops instead of or in addition to public option
- Extent of subsidies and exceptions to individual mandate
- Method of financing reform – taxes on industry (via high-value plan tax) vs. taxes on high-income individuals and higher employer contribution
- Antitrust exemption for health insurers and medical malpractice insurers

Research

- Center for Medicare and Medicaid Innovation
- Center for Comparative Effectiveness Research
- Center for Quality Improvement
- Institute of Medicine study of geographic variation in health care

Medicare Payment & Quality Reforms

- **Providers**
 - Resource-based feedback for physicians
 - Bonus payments to physicians in cost-efficient areas
 - Extension of PQRI through 2012, reporting to be integrated with meaningful use requirements under ARRA
 - Productivity adjustments for market basket update - hospitals and home health
- **MA plans**
 - Bonus payments to MA plans for care coordination and quality improvement
 - Bonus payments to high-quality MA plans in low-cost areas
- **Demos**
 - Medical home and accountable care organization pilots
 - Chronic care coordination and care transition pilots
- **Value-based purchasing**
 - Payment innovation, e.g., bundling and episodes of care
 - Reduced payments for preventable re-admissions and hospital-acquired conditions

National Quality Strategy

- HHS to establish national priorities for quality improvement
- \$1.5 billion authorized over 5 years for quality improvement and data-related activities
- Development and evaluation of new quality measures and data collection process
- Support for community-based collaborative care networks
- Government programs describing or rewarding good care not to be used as legal standard of care in malpractice suits
- Public reporting of healthcare-associated infections to CDC for hospitals and ambulatory surgery centers
- Quality measurement and reporting requirements for inpatient rehabilitation facilities, long term care facilities, hospices, payment system-exempt cancer hospitals
- Insurance market: Payment and delivery system reforms applied to public option

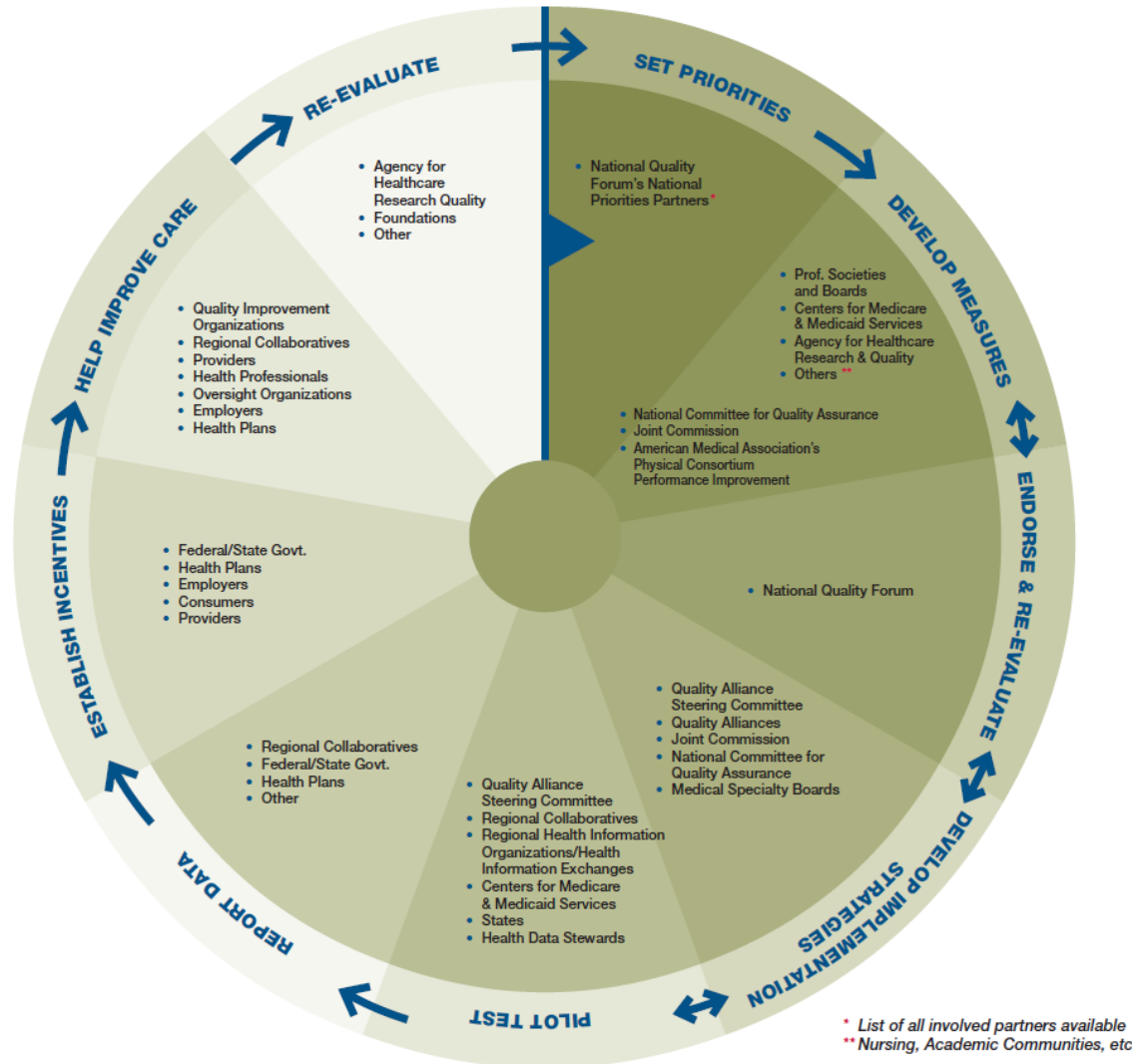
Information and Transparency

- Creates Assistant Secretary for Health Information
- Exchange-participating plans submit data to Health Choices Commissioner
- Greater public reporting of quality and cost information

What's next?

- Implementation
 - Timeline for major reforms
 - Regulations
 - Integration with MIPAA and ARRA initiatives
- Remaining issue...
 - Physician payment reform (SGR)

Figure 1: **Measurement Enterprise Organizational Wheel**



Source: Quality Alliance Steering Committee, 2008.
 Available at www.healthqualityalliance.org/resource-library. Accessed on September 5, 2009.

Figure 3: **Quality Framework with Electronic Measurement and Reporting***

NCQA, AMA, APQ...

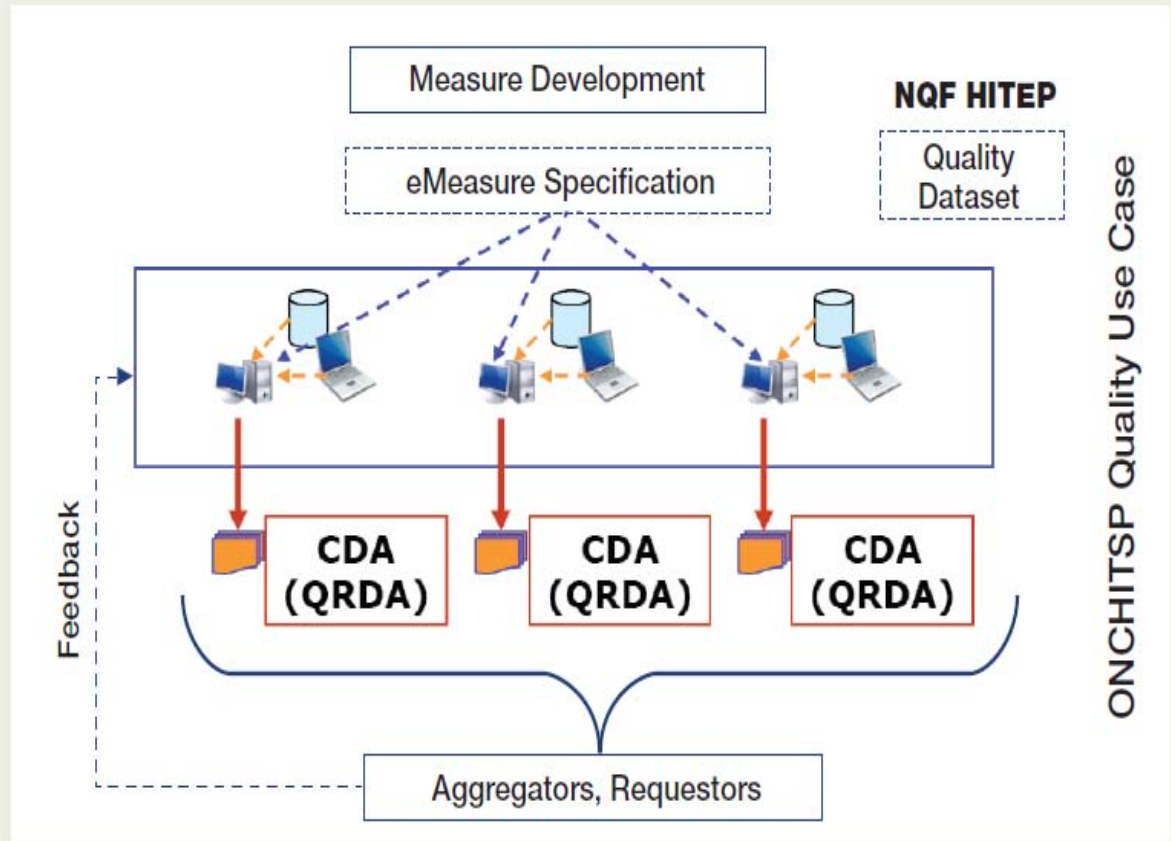
Measure Definition

The Collaborative, RAND...

eMeasure Specification

HIMSS IHE:

Multi-party choreography using HL7 messages, services



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