



# Physician Alignment and Engagement Update

HSCRC Commission Meeting  
June 11, 2014

**HSCRC**

Health Services Cost  
Review Commission

# Report Overview

---

- ▶ Focuses on what State and Commission could do as regulator, facilitator and catalyst to promote alignment of strategies among hospitals and other health care providers
- ▶ Considered strategies that are both:
  - ▶ Non-Compensatory
    - ▶ Shared infrastructure, analytics and other resources
    - ▶ Better health care quality and cost reporting
    - ▶ Investment to improve ease of practice such as care management support
  - ▶ Compensatory
    - ▶ Pay for performance
    - ▶ Gain Sharing
    - ▶ Shared Savings

# Goals

---

- ▶ Engage health care providers and align their incentives based on quality improvement goals, consistent with the goals, requirements and policies of the All-Payer Model
- ▶ Promote aligned incentives to improve the overall health of the entire population, including hospital and non-hospital based health care services
- ▶ Encourage the development of programs and services that keep stride with the national trend of movement from a volume-based provider centric system to a value-based consumer centric system
- ▶ Strive to engage all payers in the incentive and alignment programs

# Desirable Features

---

## ▶ Alignment

- ▶ Attention of different providers is focused on strategies that are most likely to help meet the All-Payer and Medicare savings requirements of the new model.
- ▶ The models are tailored to specific health care provider roles, and recognize that significant differences exist among primary care physicians and specialists, independent and hospital-owned practices, and physicians and other health care providers in terms of their goals, capabilities, resources and other characteristics.
- ▶ The models reward value, and take into consideration in the development of rewards both higher existing levels of value, as well as, value improvement.
- ▶ In order to have the greatest impact, staging of models is based on opportunities that are possible today under the current regulatory environment, while working to remove barriers to enable broader population-based approaches.
- ▶ To the extent practicable, savings are targeted to those who have produced the savings.

## ▶ Engagement

- ▶ Physicians are provided an active role in developing and refining alignment strategies related to the All-Payer Model.
- ▶ Health care consumers are engaged in the alignment process across all segments of the health care industry.
- ▶ Hospitals and physicians are invited to participate on a voluntary basis.
- ▶ Physicians are sufficiently incentivized to commit time and effort to improving quality and lowering cost.

## ▶ Awareness

- ▶ Education is available to ensure all stakeholders understand the existence and incentives of the new Triple Aim-focused model.

# Desirable Features (continued)

---

## ▶ Transparency

- ▶ Data are presented in a timely and actionable form.
- ▶ Metrics are clear in purpose and meaning and, to the extent practicable, understood in advance by the providers to which they apply.
- ▶ Accountability is required from providers and payers.

## ▶ Scalability

- ▶ Strategies are simple in design and replicable.
- ▶ Hospitals and physicians have sufficient support for the infrastructure investments needed to succeed under new alignment strategies.
- ▶ All payers and hospitals/system are permitted and encouraged to construct arrangements to meet specific organizational and community goals with common elements that have the power to focus attention on shared goals and encourage collaboration.

## ▶ Sustainability

- ▶ Existing health care infrastructure is repurposed and current assets are fully leveraged so that unnecessary duplication and fragmentation are reduced.
- ▶ The regulatory, legal and administrative environments prudently encourage innovation under the All-Payer Model.
- ▶ Hospital payment models and alignment models should aim for consistency and predictability, to encourage participation, investment, and sustainability.
- ▶ Sustainability ultimately rests on the ability to improve the overall health of the citizens of Maryland. All programs should be evaluated through the effectiveness of this overarching goal.

# Potential Options

---

- ▶ The HSCRC could serve as a catalyst to encourage the hospital industry, providers, and providers to consider ways to:
  - ▶ share infrastructure, analytics, and other resources;
  - ▶ improve reporting between and for hospitals and providers;
  - ▶ make the practice of medicine more efficient for providers; and
  - ▶ promote broad awareness of the objectives of the new model financial incentives promoting it and the various types of programs designed to support it.
- ▶ HSCRC serve as catalyst for hospitals, physicians, and other providers to work collaboratively toward models that are consistent with the goals of the Three-Part Aim and the new All-Payer Model.

# Potential Options (continued)

---

- ▶ HSCRC should work with the field to pursue confirming with CMS/OIG (and/or other appropriate regulatory bodies) the ability of Maryland hospitals to pursue pay-for-performance models, without additional regulatory approval.
- ▶ The Maryland Hospital Association and MedChi work collaboratively to pursue a New Jersey type physician incentive model that is modified to be consistent with the goals of the new All-Payer Model (with input and advocacy from the HSCRC).
- ▶ The HSCRC should work with the State and key stakeholders to pursue a Maryland-specific ACO-like or Integrated Share Savings Organization (ISSO) option, which would require infrastructure development and regulatory approval, and provide Maryland with increased flexibility in the development of a default model for beneficiaries not in ACOs, Medicare Advantage, or other CMS demonstration projects.

# Potential Options (continued)

---

- ▶ HSCRC should serve as catalyst for encouraging and expanding alignment models across all payers, and consistency regarding incentives, including working with stakeholders to determine if legislative or regulatory changes are necessary to achieve the options above and to sponsor or promote those changes, as appropriate.
  
- ▶ HSCRC should serve as catalyst for encouraging models that are possible today (e.g., Primary Care Medical Homes and pay for performance enhancements to fee-for-service and salary models), while pursuing broader population-based models (e.g., ISSO) that require regulatory approvals and additional infrastructure development.

# Future Work

---

- ▶ Further develop Maryland specific ACO-like option
- ▶ Coordinate with Stakeholder led alignment efforts
- ▶ Outreach and Education Plan
- ▶ Care Coordination
- ▶ Post Acute/LTC Coordination
- ▶ Evidence Based Care
- ▶ Tort Reform/Cost of Defensive Medicine