

# New Joys, New Possibilities:

A New Payment System, and the Challenges of Change

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[www.hcfama.org/bettercare](http://www.hcfama.org/bettercare)



# Health Care For All

HCFA seeks to create a consumer-centered health care system that provides comprehensive, affordable, accessible, culturally competent, high quality care and consumer education for everyone, especially the most vulnerable among us.

We work to achieve this as leaders in public policy, advocacy, education and service to consumers in Massachusetts



# Payment Reform from the Patient's Perspective

- **Consumer Centered Health Care**
- Why Now
- Who is Working on It
- 10 Principles
- Challenges and Opportunities



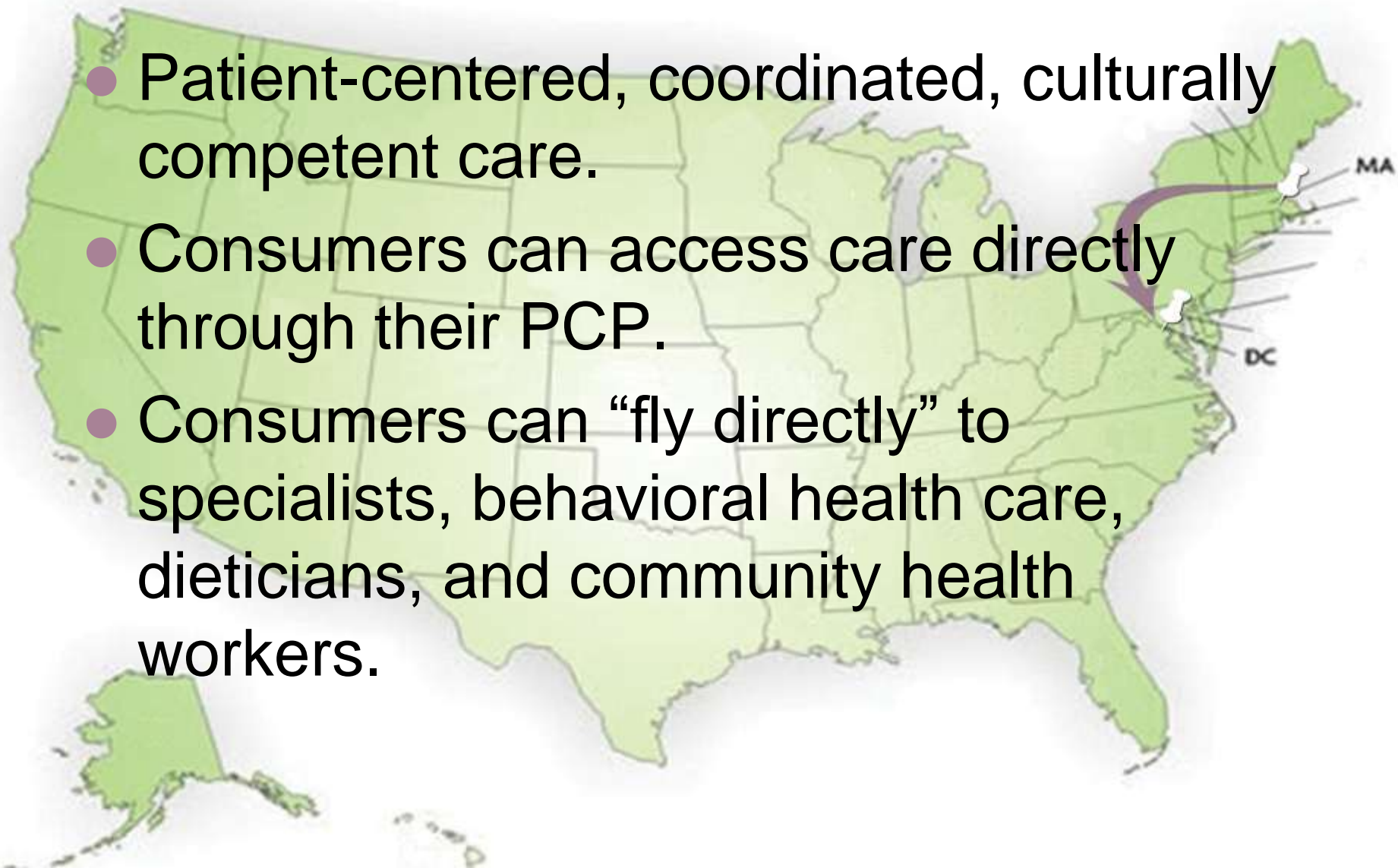
# Current System: Lack of Coordination

- Need approach that values keeping consumers healthy
- Current system has consumers “flying all over” instead of having care managed by central empowered provider



# HCFA's Vision

- Patient-centered, coordinated, culturally competent care.
- Consumers can access care directly through their PCP.
- Consumers can “fly directly” to specialists, behavioral health care, dietitians, and community health workers.

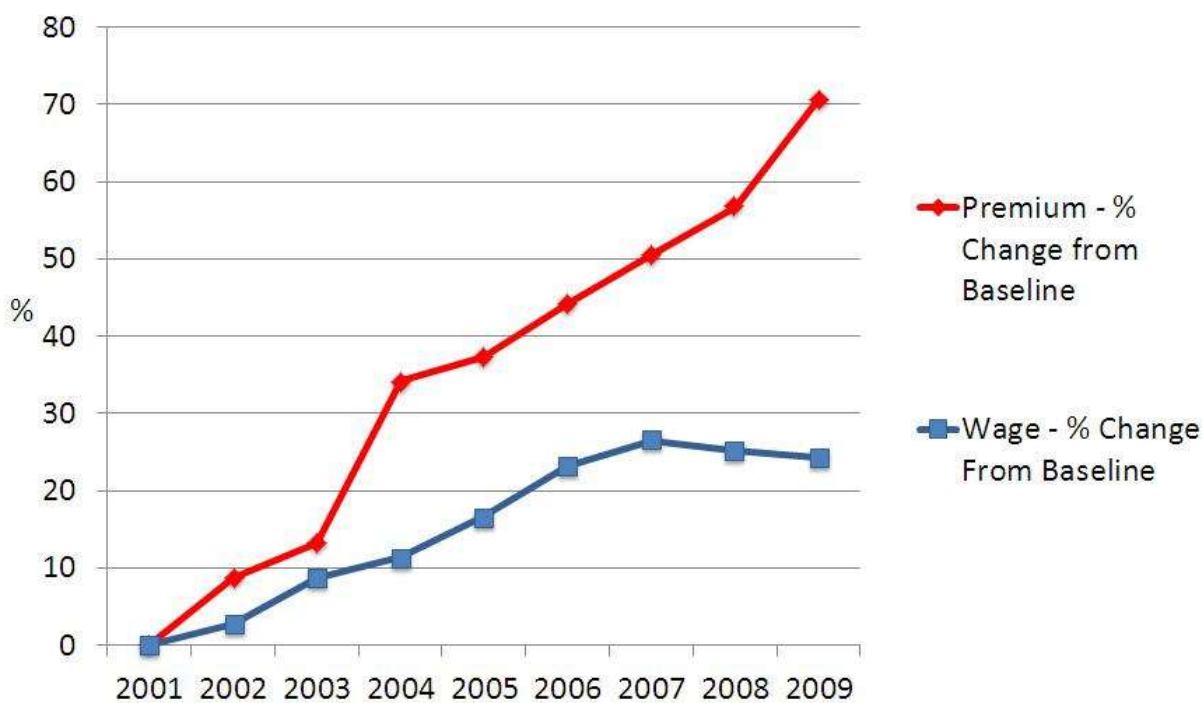


# Payment Reform from the Patient's Perspective

- Consumer Centered Health Care
- Why Now?
- Responses
- 10 Principles: Everybody Can Win
- Opportunities

# Health Costs Skyrocketing

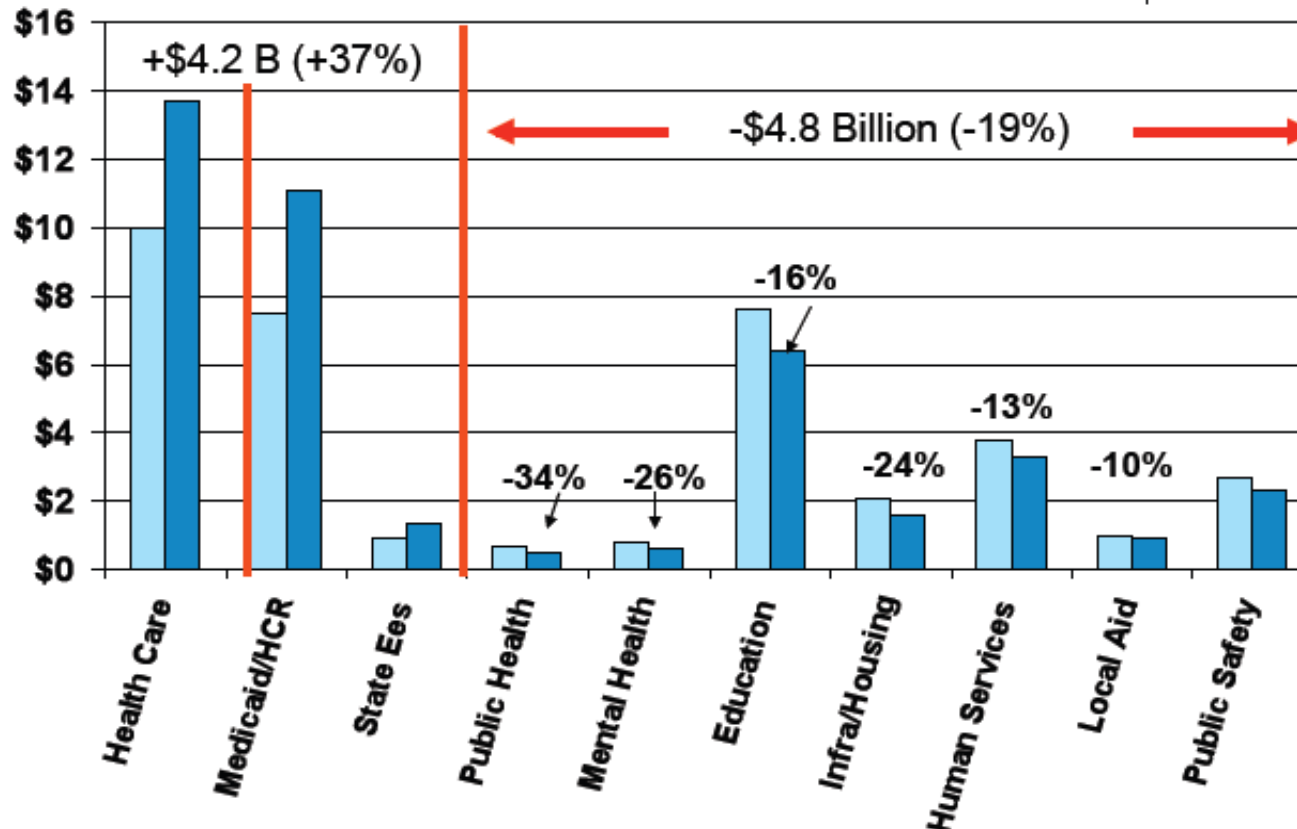
## MA Health Insurance Premiums Far Outstrip Wages



Premium data from AHRQ - MEPS Insurance Component (MA): [http://www.meps.ahrq.gov/mepsweb/data\\_stats/state\\_tables.jsp](http://www.meps.ahrq.gov/mepsweb/data_stats/state_tables.jsp). Wage data from Massachusetts Executive Office of Labor and Workforce Development: [http://lmi2.detma.org/lmi/lmi\\_es\\_a.asp](http://lmi2.detma.org/lmi/lmi_es_a.asp). Note: 2007 premium data unavailable. 2007 data above based on average of 2006 and 2008 premium rates.

# Government: Number 1 Issue

The more we spend on health care, the less we have for other things  
State Budget FY 2001 vs. FY 2011



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# Reports & Coalitions



## Recommendations of the Special Commission on the Health Care Payment System

July 16, 2009

Linda A. Skow, Co-Chair  
Secretary  
Executive Office for Administration and Finance

Sarah Ivers, Co-Chair  
Commissioner  
Division of Health Care Finance and Policy



Commonwealth  
of Massachusetts  
Deval L. Patrick  
Governor  
Timothy S. Murray,  
Undersecretary  
Judith Ann Bigby, M.D.,  
Secretary  
Executive Office of Health  
and Human Services

## Recommendations of the Special Commission on Provider Price Reform

November 9, 2011

Ann Boney, Co-Chair  
Commissioner  
Division of Health Care  
Finance and Policy

Myranda G. Gorman, Co-Chair  
Secretary  
Executive Office of  
Administration and Finance

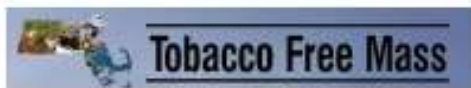
Better  
*Care*

the campaign for Massachusetts



# Better Care

the campaign for Massachusetts



# Defining the Issue





# State House Activities



# Public Policy Focus



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# Payment Reform from the Patient's Perspective

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# Our 10 Principles

1. Patient Centered Care
2. Protect Vulnerable
3. Consumer Voice
4. Patient Activation and Empowerment
5. Public Health

6. Shared Savings
7. Patient Choice and Access
8. Consumer Protections
9. Transparency
10. Evaluation and Monitoring

# 1. Patient-Centered Care

Patients must be at the center of our health care system:

- Support teams
- Surround patients
- Focus on primary care
- Incorporate behavioral health

# 1. Patient-Centered Care

- Value patient experiences.
- Connect payment to patient outcomes.
- Reward high quality, comprehensive, culturally competent care.

## 2. Protect Vulnerable

- Require that ACO's provide all necessary services.
- Remove barriers to care based on socio-economic status, disability or language.
- Incentivize high quality care for the most vulnerable.
- Strict Monitoring and enforcement of non-discrimination requirements for ACO's.

# 3. Consumer Voice

- Individual health care consumers are at the heart of the care system.
- Must have a strong voice in the design and governance of the payment reform structures.

# 3. Consumer Voice

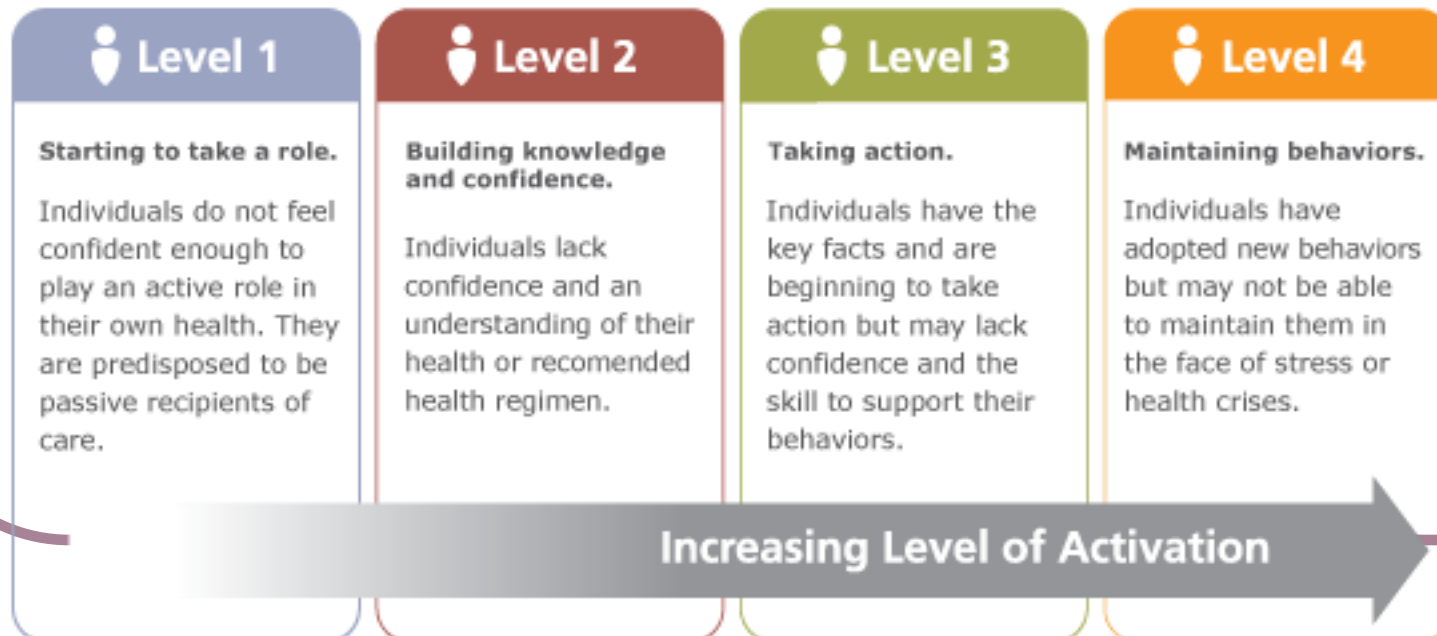
- The state oversight board must have both a patient and a consumer health organization representative.
- Members of the oversight board must not have financial conflicts of interest.
- Every ACO and other payment and delivery entity must have a patient representative in its governance structure.

## 4. Patient Activation and Empowerment

- ACOs and other care organizations should be required to transparently measure and report patient confidence in a way that is understandable to consumers.
- The state should support and encourage best practices for use of patient empowerment.

# 4. Patient Activation and Empowerment

Patient activation and empowerment lead to better health outcomes, reduced costs, reduced disparities, and better satisfaction with one's health care.



## 5. Public Health

- Support dedicated public health, community prevention funding such as the Prevention and Cost Control Trust legislation (H. 1498).
- Payment systems must strengthen community health resources, such as Community Health Workers and peer and professional community supports.

# Social Safety Net



# 5. Public Health

- Must have renewed commitment to funding public and community health.
- DPH, local health boards, community groups, and community health workers must play an integral role in supporting wellness and prevention.

## 6. Shared Savings

- Premium payers must share savings.
- Legislation must explicitly insure payment reform driven savings shared by consumers and other payers.

# 7. Patient Choice and Access

- Preserve patients' provider choice.
- Linguistic and cultural competence.
- Promote continuity of care.

# 7. Patient Choice and Access

- Patients must actively choose to participate in an ACO.
- Vital to have full information about their ACO and care plan.
- Specialized care services have to be readily accessible, even if they don't exist in a particular ACO.

## 8. Consumer Protections

Office of Patient Protection and other managed care regulations must be maintained and extended to ACOs, patient-centered primary care homes, and other payment reform entities.

Added protections may be necessary.

# Consumer Protections

- Patient must have the right to an independent external review, conducted by an adequately funded Office of Patient Protection

## 9. Transparency

Measures of care and incentives built into the payment system must be transparent, accessible, and understandable by patients.

Will drive informed decision making.

# 9. Transparency

- Comparable, timely, meaningful and accessible information about care, vitally important in new system.
- Multiple forms of technology to convey info.
- The oversight board should be subject to the open meeting law.
- All consumer materials should be understandable.

# 10. Evaluation and Monitoring

Payment reform must include independent, meaningful and frequent monitoring and evaluation.

Measure and report during transition and implementation.

Measures at macro level – access, cost. Also needed at micro level, patient satisfaction, utilization.

# 10 Evaluation and Monitoring

## Evaluation should include

- Quality of care, including satisfaction, quality of life, patient outcomes, and caregiver satisfaction.
- Impact on premium growth and out-of-pocket expenditures.
- Impact on vulnerable populations.
- Impact on racial, ethnic, and socioeconomic disparities.
- Data collected must comply with standard data standards.

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# Challenge and Opportunity



# Challenge and Opportunity

**Translating Principles Into  
Improved System**

# Community Forums



# Outreach Education Empowerment

- HelpLine caller engagement
- Patient and Family Advisory Councils
- Community Organizing
- Consumer Education

# Opportunities



# Additional Resources

- [www.HCFAMA.org/BetterCare](http://www.HCFAMA.org/BetterCare)
- HCFA HelpLine: 1-800-272-4232