

Solutions for a Modernized Health Care System

PROMOTE QUALITY CARE DELIVERY AND REFORM PAYMENT MODELS

Despite spending \$3.4 trillion on health care in the United States, the value and quality of health care remains uneven, with too many Americans receiving care that provides insufficient health benefit or experiencing preventable medical errors.¹ The country can drive greater value for our health care spending as well as promote better health outcomes for all Americans by adopting solutions that are consistent with the following core principles:

- Optimize public resources
- Modernize government health care programs
- Build upon the foundation of employer-based health coverage
- Employ progressive approaches to health care benefits
- Modernize the way care is delivered to improve affordability and quality
- Make technology an enabling force for better health care

LEVERAGE DATA AND TECHNOLOGY TO IMPROVE CARE QUALITY

Improve care quality and health outcomes by more effectively utilizing integrated data and technology so as to inform treatment decisions and drive greater intelligence and efficiencies across the health care system. For example:

- Leverage common data standards that allow for seamless and secure data exchange, and **enforce connectivity as a requirement across stakeholders** by implementing stronger rules around required electronic medical record functionality and discouraging information blocking.
- Working in collaboration with appropriate private sector entities, **create and use federal registries** for specific diseases and conditions (e.g., cancer, Alzheimer's, diabetes) to compare treatment regimens, assess which regimens are more effective than others, and **develop standardized, evidence-based treatment protocols** that can be applied broadly across the health care system.
- Encourage providers to **leverage data analytics and technology** to proactively identify their highest risk/ highest need patients and populations for targeted interventions.

In addition to leveraging integrated data, support the broader adoption of technologies and tools that advance better care quality as well as improve system efficiency. For example:

- Encourage the development and adoption of **well-designed automated clinical systems and tools**, such as order entry and decision support, to improve health care quality and consistency and reduce the risk of human error. As part of this:
 - **Incorporate evidence-based treatment protocols** into the design of electronic medical record systems to promote greater provider adherence.
 - Support the use of **standardized treatment protocols and evidence-based care plans**, which increase the predictability of health outcomes and allow for better identification of care gaps or deviations.

¹ Centers for Medicare & Medicaid Services, National Health Expenditure Projections 2014-2024.

- Support providers in adopting **truly interoperable electronic medical record products and systems**, such as through targeted federal grant programs mandating interoperability.
- Increase the use of **detailed clinical checklists** to reduce the risk of preventable medical errors and complications, and tie checklist adherence to payment.
- **Connect patients and families to informed case managers** who implement a whole-person approach to patient care by using a patient’s complete electronic medical record as well as through close working relationships with the patient and the patient’s care team.
- **Establish payments to case managers** for providing wide-ranging assistance to patients and their caregivers, including help in understanding and adhering to discharge instructions and locating any needed social support services (e.g., nutrition, transportation assistance).

MODERNIZE PAYMENT MODELS TO PROMOTE BETTER CARE QUALITY AND EFFICIENCY

Across both public and private health care programs, support the transition away from fee-for-service payment models to value-based performance payment models that promote better health outcomes. For example:

- **Adopt payment models that incent increased accountability for quality and cost outcomes**, such as shared savings programs and performance-based contracts, and reward providers for effectively managing the health of populations.
- At every stage in the transition to value-based payments, **align incentives for improving quality and cost outcomes** based on meaningful, evidence-based benchmarks. Incent providers who meet these performance benchmarks with higher payments.
- To better identify and reward providers who consistently deliver high-quality, low-cost care, **base value-based payments on a provider’s performance relative to comparable peers** and, when appropriate, on the provider’s own performance in the previous year.
- **Adopt a standardized set of performance measures across payers** to help simplify quality measurement and provider payments. As part of this effort, **expand the use of outcomes-based measures** and retire any process measures that have little impact on health outcomes or costs.
- As an initial step in the migration to value-based payments, **adopt bundled payments** to pay providers for effectively managing discrete “bundles” of care for specific conditions or disease states, such as breast cancer, asthma, or other non-elective, high-cost conditions where the treatment protocols are well established and the expected progression of the disease or condition is well understood.

Consistent with a transition from volume-based to value-based payment models, align payment and purchasing incentives to encourage better care delivery practices. For example:

- **Encourage consumers to seek care from higher-performing providers** through lower cost sharing, tiered network designs, or other incentives.
- **Reward physicians and hospitals for preventing avoidable hospital admissions and re-admissions** so as to discourage unnecessary utilization and promote better health outcomes.
- **Expand payments for services that have been shown to reduce hospital admissions**, readmissions and emergency department visits, such as the use of case managers, in-home clinical visits, telemedicine, remote monitoring technologies and wearables.
- To reduce the stress and adverse health impacts from uncompensated caregiving on individuals and families, **support family caregivers** through tax credits, direct home and community-based service payments, and funding for respite programs.
- Design payment models that **reward team-based approaches to primary care** in order to allow more effective service delivery to more patients and more efficient use of primary care provider capacity.
- **Increase access to primary health care services** by allowing nurse practitioners (NPs) and physician assistants (PAs) to take on increased responsibility, and increasing Medicare and Medicaid reimbursements for services delivered by these providers.