

Module 5: What's Next?

Panel: L. Allen Dobson, Jr, MD; Marcia Guida James, MS, MBA;
Margaret E. O'Kane, MPH; Peter Salgo, MD; and Jed Weissberg, MD

Introduction

In this segment, the participants considered how health-care reform and the PPACA might shape the future of the quality enterprise and VBP. The panel also identified important issues and key takeaways that can inform stakeholder efforts to implement healthcare reform and drive quality.

The Handwriting Is on the Wall

There's just no viable future for a healthcare system that's hospital-centric, episode-centric, and procedure-centric. And it's not just CMS that's throwing down the gauntlet. So are employers and private insurers.

— Selberg J. Payment reform as we speak.
Institute for Healthcare Improvement.
Audio program. July 21, 2011.

PPACA and the Quality Enterprise

Major Components

Here are the major PPACA components that directly implicate the quality enterprise:

- More—and more refined—national priorities and goals
- Emphasis on collecting data and performance measures
- Extensive public reporting
- Collaborative VBP that includes collaboration—PPACA requires that a final VBP model design be determined by 2012; the hospital VBP program becomes effective October 1, 2012.
- CMS will rate Medicare Advantage health plans using a 5-star rating system based on a composite measure of care quality, access, provider responsiveness, and patient satisfaction. Star ratings will be publicly reported. High-performing plans will receive financial rewards.
- Beginning in 2013, hospitals will be eligible to receive incentive payments for Medicare patients with high-volume conditions (ie, chronic heart failure, acute myocardial infarction, pneumonia, surgeries, and healthcare-associated infections). Other delivery settings (eg, ambulatory surgery centers, home health aides, and skilled nursing facilities) and physician reimbursement will follow shortly thereafter.

- By January 2016, VBP programs must be in place for psychiatric hospitals, PPS-exempt oncology centers, hospice programs, long-term care hospitals, and rehabilitation hospitals. Lower-volume facilities, such as critical access hospitals, will participate in a parallel program. Hospitals not meeting certain minimum standards will be excluded from the incentive scheme.

Patient-Centered Care: The Law of the Land

The message to the healthcare community is unmistakable. VBP is an integral part of the PPACA. Because patient-centered care is a cornerstone of VBP, and because patient service and satisfaction will figure prominently in the CMS rating system, patient-centered care is, in effect, the law of the land. "It's been decided," said Dr Salgo. "Along with payment reform, collaborative care delivery, and state-of-the-art HIT systems, [a] patient-centered focus is vital to ultimately improving outcomes and bending the cost curve."

Patient-centered care means more than customer service and satisfaction. It involves patient education, engagement, and incentives, and designing care plans at the patient level.

Measures With Consequences

The PPACA will accelerate the evolving shift in quality measures from simple process measures relating to what care is delivered toward measures relating to how care is delivered in order to discern patient outcomes, and will also tie in financial consequences. For example:

- HACs will be publicly reported, and for those hospitals, payments will be reduced.
- Health plans and provider organizations will be required to report on readmissions, and payments will be reduced for preventable readmissions.
- Hospitals with excessive readmission rates will face the prospect of a mandatory QI program.

PPACA and VBP

Since the PPACA incorporates VBP tenets, the VBP initiatives that predated the PPACA should continue to evolve, including:

- Increasing the focus on chronic care and rewarding the effective management of chronic care episodes.

Roundtable

- Linking payment to patient outcomes.
- Increasing the emphasis on patient engagement.

Small employers can pursue VBP through cooperatives and business coalitions. Private health plans can modify P4P programs to incorporate efficiency measures and a combination of gain- and risk-sharing incentives. States can improve purchasing programs by using CMS data to benchmark plan performance.

Panelist Views on What's Next

The panelists offered their individual ideas on what's next for the quality enterprise in the wake of the PPACA, and what worries them.

Mr White hopes for better orchestration and coordination throughout the healthcare domain, including accountability for health plans, providers, and employers. "I'd like to see employers doing what they have direct influence over [by] giving employees incentives to stay healthy," he said.

According to Ms James, the reform legislation will accelerate quality standardization. Dr Weissberg made a related point; he hopes the HITECH Act and meaningful use provisions will enable capturing patient-reported measures of functional status and pain. "This would allow us to better fine-tune care," he said.

The HITECH Act is part of the ARRA of 2009. ARRA imposes phased-in requirements for adoption and "meaningful use" of EHR technology and to that end, authorizes CMS to provide reimbursement incentives.

The panelists are excited about the prospect of freely flowing, meaningful data and the flexibility to apply the data to improve quality, delivery systems, and outcomes. To Dr Dobson, the flexibility theme relates to the community focus that is central to the quality enterprise. "Healthcare and medical matters are usually concentrated in our largest academic centers and cities," he said, "but every US citizen deserves better care than they're getting. We have to be flexible enough to provide it in all locales."

Flexibility may be difficult to attain, even though the reform scheme calls for it. Regulators are traditionally inflexible in altering published standards. On the other hand, this reform environment inherently militates against intransigence. "We don't know all the answers in advance," said Dr Dobson, "so we can't simply write a playbook of ultra-specific regulations."

If inflexibility can impede reform, over-regulation could doom it. "You don't [want to] over-orchestrate it at the top,"

said Dobson, "because information needs to be applied and measured at the local level."

In this emerging, dynamic environment, the anchoring idea is to set a framework for the desired results and foster innovation within that framework. VBP principles hold that the ultimate objective is high-quality, affordable, patient-centered care. The conduits to that objective are transparency, measurement, and accountability (eg, rewards for better outcomes).

That framework now exists: the legislative scheme imposes a national agenda and embeds VBP. "This time," said Dr Dobson, "everyone is engaged in the quality enterprise." Dr White concurred; an articulated national agenda, coupled with mandatory engagement, will translate into "unification that will lever better data and ultimately better outcomes. All stakeholders will benefit."

Main Takeaways

The roundtable considered the main takeaways about the arc of healthcare reform, quality improvement, and value-based approaches.

Dr Salgo asked, "Where is this going? What do we want?" Dr Weissberg responded, "We want healthcare that improves the health of individuals and populations," while according to Dr Dobson, "We want a single system with multiple payers, intersecting around quality and performance."

Healthcare reform has become politicized. Dr Salgo underscored a patient-centered focus. "At its core, this reform isn't about mandates. It's about patients who need help, who need better healthcare. And if we're smart enough, we can deliver it."

Dr Dobson concurred, but also reinforced the importance of a population perspective. "The cheapest drug is the one that's not prescribed because it's not needed. That money stays in the system to do other things."

According to Ms James, recent innovations in payment and delivery indicate that reform is on the right track, and with increased emphasis on patient-centered outcomes and transparency, "The opportunities are even greater." She also reiterated the need for flexibility: "This is not a one-size-fits-all proposition."

Ultimately, noted Ms O'Kane, "Everybody will have to live within a budget." To do so, resources must be managed efficiently, and greater efficiency aligns with the financial interest of all stakeholders. "The new legislative reality will create aftershocks," said O'Kane. "But HCOs can soften them by embracing change rather than resisting it—and sooner rather than later."

Closing Remarks From Peter Salgo, MD

Healthcare reform is not only upon us, it is now the law of the land. It's been a long time coming and it will take a long time to bear fruit. Previous research has shown that it takes 17 years for the best evidence-based practices to become routine in healthcare, but this time maybe we can't afford to wait for evolution to take its course. The PPACA offers substantial motivation and opportunity to speed things up.

We are moving—some of us voluntarily, some of us kicking and screaming—toward a new and hopefully sustainable, quality- and value-focused system. Those HCOs that sit idle and do not develop aligned business models may do more than run afoul of the law; they may not survive.

This whole quality enterprise idea is in its infancy and we're going to have to navigate some uncharted waters. There are no magic bullets, no gold standards.

Nevertheless, in order for this fundamental transformation to succeed, the diverse elements of the healthcare universe and each individual in it must participate, elaborate, and coordinate. They must think nationally and act locally. And most of all, they must persevere.

As an example, pharmacists are stepping up and taking a more active role as part of the healthcare team. The final section in this supplement features a Q & A with Rear Admiral Scott F. Giberson of the US Public Health Service, who discusses the changing role of pharmacists.

Dennis White participated in the roundtable discussion; however, he has not reviewed this manuscript.

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