

Payment Reform Critical for Accelerating Improvement

Broad Agreement That Current Payment System Is a Problem

- Multiple Initiatives Underway

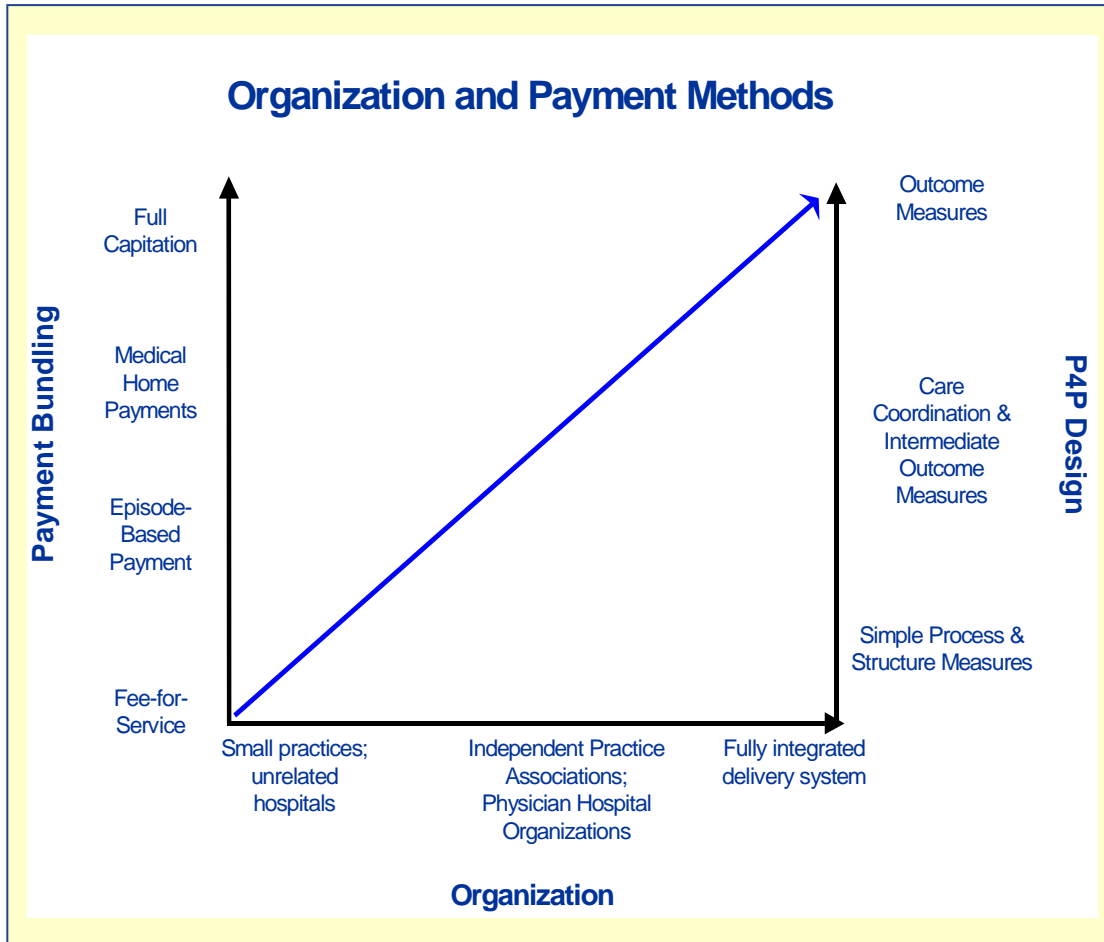
... But The “Walk” is Less Than The “Talk”

- <1% GE’s Expenditures Are Performance-Based
- For Any Given Physician, Performance-Based Payment Is Small Percentage of Income . . . And Below the Cost of Change

... And There Is No Clear Leadership or Coordination

Current Efforts Unlikely to Lead to Payment Reform

A Conceptual Model: One Size Does Not Fit All



Payment Model Differs By:

- Provider Organization
- Local Degree of Competition
- Ongoing Pilots

Overall Direction:

- Re-Balance RBRVS to Primary Care
- Episodes, Pre-Payment, Blending

Employers:

- **Standard Contract Language**
- **Re-Shape Relationship to CMS**
 - Follow When Appropriate
 - Coordinate When Possible
 - Lead When Necessary

Next Steps

- **Public-Private Strategic Collaboration**

- Public-Private Coordination Enabled Performance Measurement/Transparency
- Each Sector Has Unique Strengths and Limitations
 - **Private** – Flexible & Innovative . . . But Lacks Volume and Organization
 - **Public** – The “Market Makers” . . . But Slow and Politics Are Tough

- **A Center for Payment Reform (CPR)?**

- Develop Comprehensive Strategic Framework
- Coordinate Efforts Across Sectors and Markets
- Identify and Spread ‘Best Practices’
- National Scorecard on Payment Reform
- Public Policy Role