



Can Medicare Accelerate Delivery System Reform: Options for Creating a Sustainable U.S. Healthcare System

November 24, 2008

Four Seasons Hotel Washington DC
2800 Pennsylvania Avenue NW
Washington, D.C. 20007

Co-sponsored by the Kaiser Permanente Institute for Health Policy

8:30: Continental Breakfast

9:00: A Call to Action: The Urgent Need for Federal Policies to Accelerate Delivery System Reform

Efforts to slow the growth of US healthcare spending over the past 40 years have been mostly unsuccessful because the healthcare delivery system has not implemented the types of efficiency improvements seen in other industries. Fee-for-service reimbursement enables overuse of marginally effective services and significant geographic variation in cost and utilization. Historically, Medicare reforms have focused on extending the program's fiscal solvency through benefit changes, provider payment limits, and new revenue sources. As the national healthcare cost crisis escalates, Medicare policy cannot simply focus on its own fiscal solvency, but must instead focus on enabling a more efficient, effective and sustainable delivery system that will benefit all Americans.

Speaker: Stuart Altman Ph.D., Professor, Brandeis University

9:30: Building Model Delivery Systems for the 21st Century

The current delivery system is unprepared for rapid growth in the number of elderly Americans, a trend which will coincide with significant pressure to reduce the rate of growth in health spending. The combined impact of demographic trends and limits on future spending will threaten both quality and access without significant delivery system changes. This session will examine the evolving needs of Medicare beneficiaries in the 21st century, the current readiness of health care providers to organize care more effectively, and strategies for change with potential beyond integrated delivery networks that could result in more efficient, effective and compassionate care to Medicare beneficiaries and all Americans.

Speaker: Lawrence Casalino, Ph.D., Chief, Division of Outcomes & Effectiveness Research, Department of Public Health, Weill Cornell Medical College

Respondent: Nicholas Wolter, M.D., CEO, Billings Clinic

10:30: Break

11:00: Moving from here to there: How can Medicare drive delivery system reform?

As the nation's largest payer Medicare must help catalyze more effective, efficient delivery models. This session will discuss the tools and techniques Medicare has for driving change in the healthcare delivery system. Payment is one of Medicare's principal policy levers. Medicare's present model pays for services whether or not they are appropriate or of high quality, creating strong disincentives for providers that want to organize services more efficiently. Medicare can create much stronger incentives for ensuring efficient, appropriate service delivery. However, payment policies that place strong financial pressure on providers, or create winners and losers will face strong resistance. Key questions for this session include: 1) how can Medicare structure its payment policies to encourage delivery system reform; and 2) at what rate should policies be phased in so that providers feel urgency for change without creating a backlash?

Speaker: Francis J. Crosson, M.D., Senior Medical Director, Senior Fellow, The Permanente Federation and Kaiser Permanente Institute for Health Policy

Panelists: Charles Baker, President and CEO, Harvard Pilgrim Healthcare
Troyen Brennan, M.D., M.P.H., Executive Vice President, Chief Medical Officer, CVS Caremark

12:30 – 1:30 Lunch

1:30: What changes in governance, capacity and culture are needed for Medicare to become an effective agent for delivery system change?

Medicare's original mission was to pay for high quality health services for the program's beneficiaries. A central theme in CMS' current strategic action plan is "achieving a transformed and modernized health care system for the 21st century." The strategic plan also calls for CMS to collaborate with a broad range of stakeholders including, state governments, private insurers, delivery systems, and employers. Progress in this direction requires significant change Medicare's in governance, capabilities and culture. This session will examine potential changes that would help Medicare to become a more effective force for delivery system change.

Speaker: Thomas Ault, Principal, Health Policy Alternatives, Inc.

Respondents: Bruce Vladeck Ph.D., Executive Director and Senior Health Policy Advisor, Ernst & Young, LLP

Thomas B. Valuck, M.D., M.H.S.A., J.D., Medical Officer and Senior Advisor, Center for Medicare Management at the Centers for Medicare & Medicaid Services

2:45: Wrap Up – Stuart Altman

3.00: Meeting Adjourns