

Can Medicare Lead Delivery System Reform ?

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[Delivery System Reform

- **What are the elements ?**
 - **Payment/incentive changes**
 - **Structural changes**
 - **Enabling tools**
- **A recurring model**

Payment and Delivery System Options

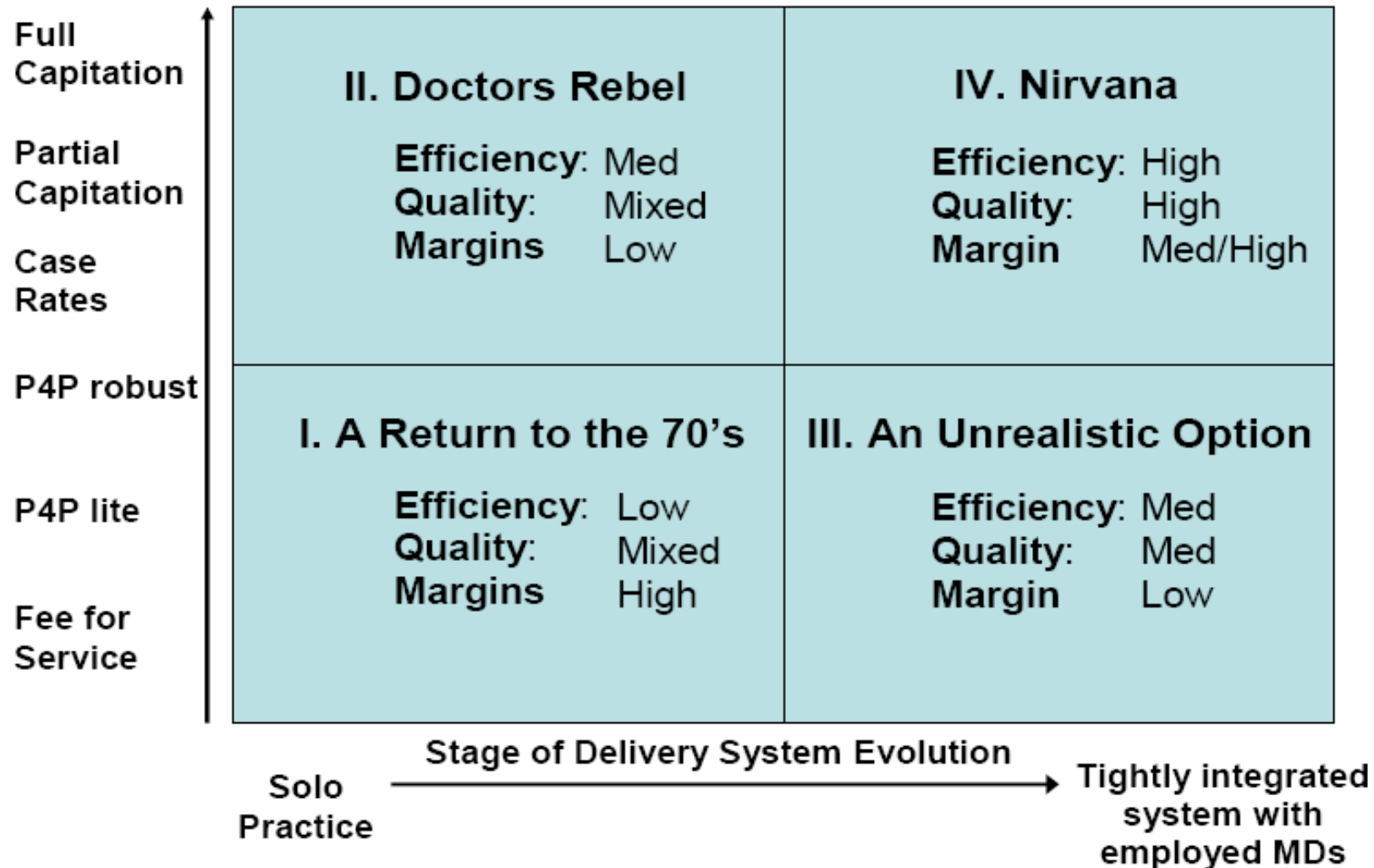
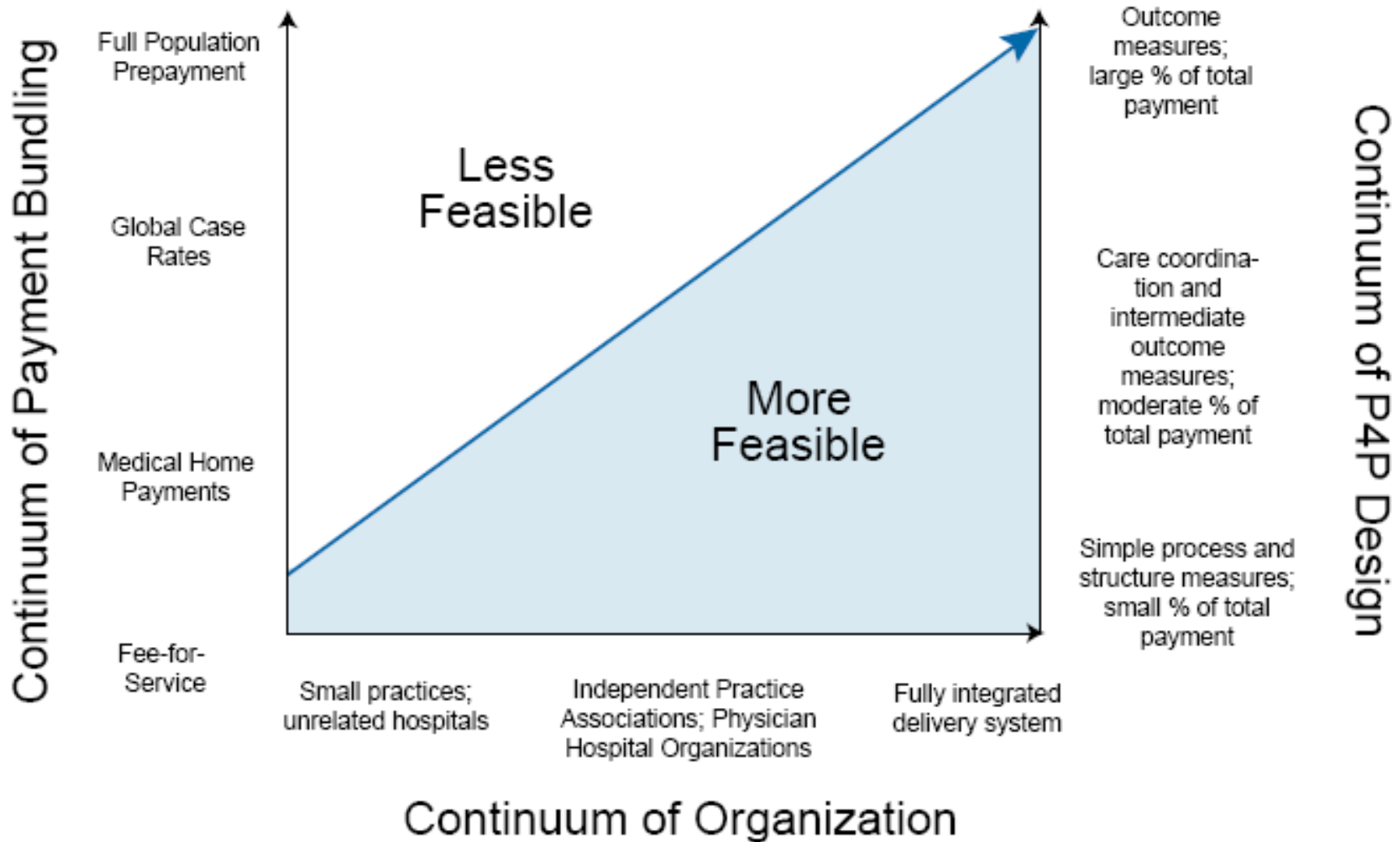
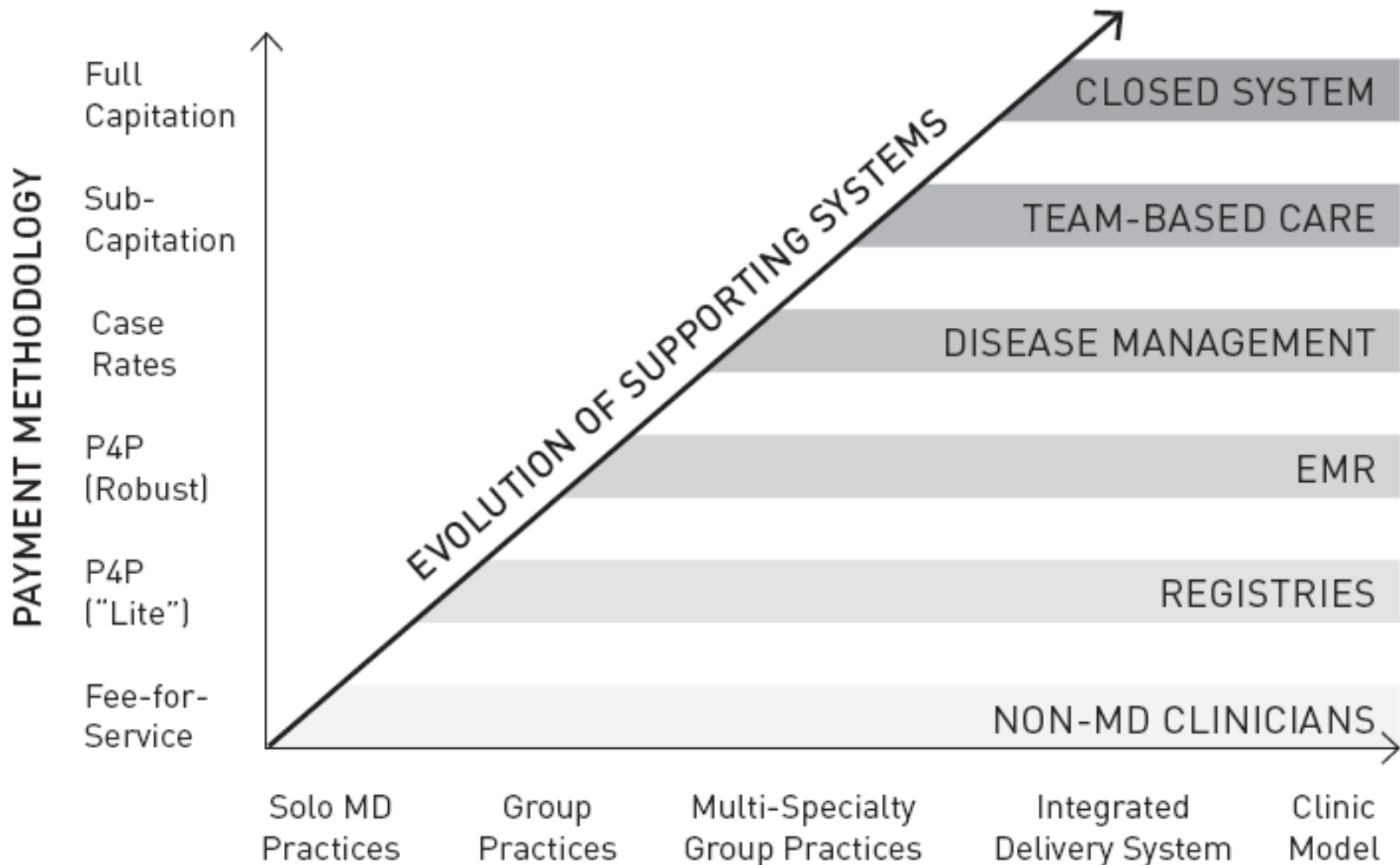


Exhibit ES-1. Organization and Payment Methods



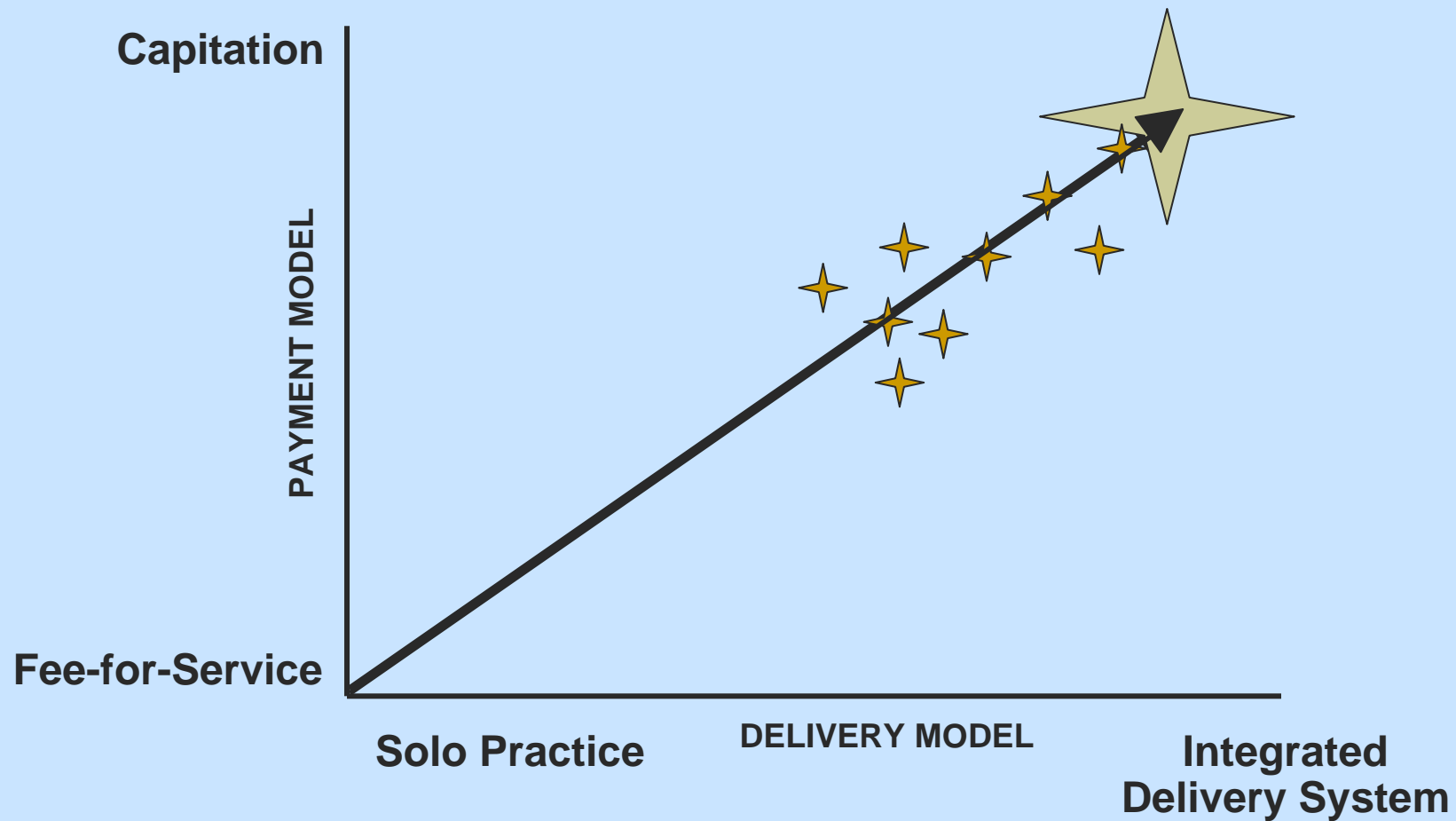
Source: The Commonwealth Fund, 2008

Evolving Reimbursement and Care Models

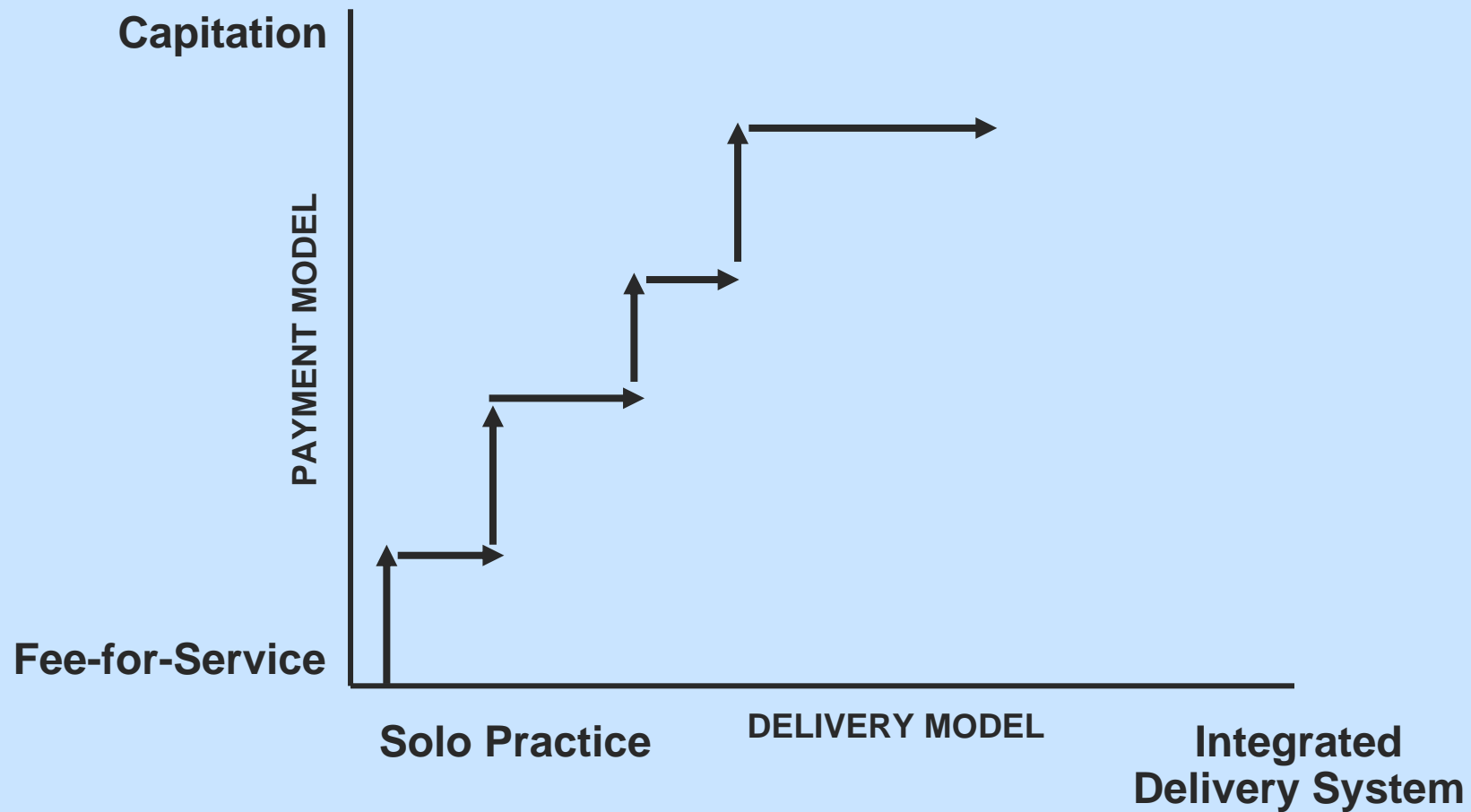


Source: T Lee and R. Berenson, *The Health Care Delivery System: A Blueprint for Reform*, 2008, The Center for American Progress and The Institute on Medicine as a Profession

Dynamics of the Model



Dynamics of the Model



Delivery System Reform Proposals

- **Payment/Incentive Changes**
 - **P4P**
 - **Care Coordination payments**
 - **Bundled payments**
 - **Gainsharing**
 - **Group Practice Demo**

Delivery System Reform Proposals

- **Structural Changes**
 - **Medical Home**
 - **Physician-Hospital Integration**
 - **Accountable Care Organizations**

Delivery System Reform Proposals

- **Enabling Tools**
 - **Clinical information technology**
 - **Clinical effectiveness research**
 - **Primary Care manpower**

Delivery System Reform Proposals

- **“NO WAY” Proposals**
 - **Enhance Medicare purchasing authority**
 - **Enhance Medicare benefit design authority**
 - **Targeted updates**
 - **MA for delivery systems**

[“NO WAY”

- **Enhance Medicare Purchasing Authority**
 - **Selective providers**
 - **Centers of Excellence**
 - **Competitive bidding**

[“NO WAY”

- **Enhance Medicare Benefit Design Authority**
 - **Differential OOP payments**
 - **Catastrophic cap with end of Medi-Gap plans**

[“NO WAY”

- **Targeted Updates**
 - **Separate physician “target pool” for practices that manage appropriateness of services**
 - **Combined hospital/physician group updates**

[“NO WAY”

- **“Medicare Advantage” for Delivery Systems**
 - Recharge MA-PSO model
 - Remodel to include hospitals
 - Medicare developmental risk sharing corridors