



Collaboration and Coordination to Transform the U.S. Health System

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The centerpiece of the Affordable Care Act (ACA) is collaboration and coordination by and among all stakeholders working within the healthcare system, including providers, insurers, purchasers, employers, governments and patients. This landmark legislation is designed to forge public-private partnerships in order to transform the manner in which healthcare is delivered with the ultimate goal aimed at improving the quality of care while reducing the costs to the consumer.

Moving providers from controlling all aspects of healthcare to a more coordinated approach will only occur if there are incentives for collaboration. The ACA attempts to accomplish this goal by creating programs that are funded by the U.S. Department of Health and Human Services' (HHS) Centers for Medicare & Medicaid Services (CMS). Most of these new programs are in the early stages of evaluation with respect to the effectiveness of this new approach; however, the expectation is that some innovative changes will result in long-term sustainability.



The CMS is a focal point in managing multiple programs and distributing incentive funding and resources for oversight, tracking milestones of achievement and implementing standards for long-term reform of the healthcare delivery system. Its mission is “helping promote a healthcare delivery system that will reduce avoidable hospital readmissions and, at the same time create incentives for a more person-centered approach.”ⁱ The goal is to build an innovative and fully tested foundation for a healthcare system that “will significantly increase the coordination of care, improve quality, reduce redundancies and delay while reducing costs.” Providers have many points of access to the CMS and a wide range of ways to partner in order to find the support and accomplish their goals, and those of the agency and the law.

The CMS Innovation Center, created by the ACA, is the conduit and catalyst to the provider and the innovator of inventive care initiatives. It primarily funds programs and “is responsible for testing numerous new payment and service delivery models” that, if successful, can be scaled nationally. Its budget is \$10 billion over 10 years. More than \$2 billion has been awarded or committed since 2011ⁱⁱ to hundreds of community groups, clinics, hospitals, insurance companies, nursing homes and states across the country.

Among the care models being funded that are in various stages of evaluation and testing include accountable care organizations (ACOs), bundled payments, primary care medical homes, and state innovation models, to name a few. In total, as of January 2014, the CMS Innovation Center is testing 18 major payment and service delivery models under its authority of the ACA, Section 3021, as well as administering several other Medicare demonstrations that are authorized and funded by other statutory authorities.ⁱⁱⁱ Below are highlights of five initiatives that are being measured for effectiveness and sustainability:

Comprehensive Primary Care Initiative

This initiative will help primary care practices deliver a higher level of quality, more coordinated and patient-centered care in a handful of selected markets. In addition to regular fee-for-service payments, CMS will pay primary care practices a monthly fee for clinicians to: (i) assist patients with serious or chronic diseases by developing and following personalized care plans; (ii) provide patients with 24-hour access to care and health information; (iii) deliver preventive care; (iv) engage patients and their families in their own care;

(v) encourage a collaborative effort by and among primary care doctors and other specialists. The goal of this initiative is to have Medicare working with private and state health insurance plans to offer similar support to primary care practices that better coordinate care for their patients.

Advanced Primary Care Practice

The CMS Innovation Center and Health Resources Services Administration are working in partnership on the Advanced Primary Care Practice (APCP) demonstration. The goal of the APCP demonstration is to improve care, promote health and reduce the cost of care provided to Medicare beneficiaries served by Federally Qualified Health Centers (FQHCs). An assessment of the APCP is expected to be delivered in October 2014, and will measure and validate the effectiveness of doctors and other health professionals working in teams to coordinate and improve care for Medicare patients.

Accountable Care Organizations (ACOs)

ACOs are integrated groups of providers and suppliers of services that voluntarily agree to work together to coordinate care for patients.

The organizations must meet certain quality standards that are organized in four domains in order to share in any savings achieved under the Medicare program. The domains include patient experience, care coordination and patient safety, preventive health and at-risk populations. The higher the quality of care providers deliver, the more shared savings the organization may earn, provided they also lower growth in healthcare expenditures.

As of September 2014, HHS reports that “since the passage of the ACA, more than 360 Medicare ACOs have been established, serving over 5.6 million Americans with Medicare.”^{iv} ACOs will continue to evolve as of the original 23 Pioneer ACO organizations, only 11 earned bonuses for meeting all the criteria and three were penalized after costs increased. “In the Medicare Shared Savings Program, which launched two waves of ACOs in April and July 2012, 53 of 204 organizations with available data slowed spending enough to receive bonus payments that total more than \$300 million. One will face penalties of \$4 million after health spending accelerated.”^v

Partnership for Patients

The Partnership for Patients is a nationwide collaborative of more than 8,400 stakeholders, including 2,700 physicians and other medical practitioners, over 3,000 hospitals, and hundreds of community groups, employers, unions and other organizations working together to make hospital care safer, more reliable, and less costly. The initiative was launched in 2011 with the goal of reducing preventable hospital-acquired conditions by 40 percent and 30-day readmissions by 20 percent by the end of 2014. The Partnership has identified ten core patient safety areas of focus and is working cooperatively to reduce hospital-acquired infections and hospital readmissions.^{vi}

Integrating Care for Medicare-Medicaid Enrollees

A longstanding barrier to coordinating care for Medicare and Medicaid enrollees has been the financial misalignment between the two programs. CMS is working with CMS Medicare-Medicaid Coordination Office on the Medicare-Medicaid Financial Alignment Initiative to test two models of payments – a capitated model and a managed fee-for-service model. There are presently 12 participating states that are working to streamline the financing of the Medicare and Medicaid programs and integrate primary, acute, behavioral health and long term services to support Medicare-Medicaid enrollees. For those states that are interested in testing these two models, CMS is offering professional and technical assistance during the planning process.

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Other CMS-funded initiatives and programs underway include the State Innovation Model initiative in which 25 states are involved in projects that will test designs for improving their public and private healthcare payment and delivery systems, as well as targeted programs for dialysis patients, and mothers and newborns. Millions of dollars are going to providers, payers, local governments, and other partners to fund new programs focused on several key areas, including outpatient and post-acute care, populations with specialized needs, and population health.^{vii}

In the United States there are more than 10 million citizens enrolled in both the Medicare and Medicaid programs. The mandate established by the ACA that all U.S. citizens have healthcare coverage or be taxed combined with a complex healthcare system has reached a tipping point that requires collaboration and coordination by and among providers, patients, insurers, employers, businesses and government. Technology is playing a significant role in transforming the landscape of healthcare delivery. New tools and techniques like telemedicine, mobile apps, electronic health records (EHR) and others have already proved to be vital to data collection and analysis, scientific research and patient-centered management of care and communications.

The CMS Innovation Center's mission has many skeptics; however, there is agreement that innovative programs and partnerships must be embraced by all stakeholders in order to improve what is currently a broken healthcare system.^{viii}

End Notes

- ⁱ The Affordable Care Act: Lowering Medicare Costs by Improving Care. Centers for Medicare and Medicaid. Available at: www.cms.gov/apps/files/aca-savings-report-2012.pdf
- ⁱⁱ Hancock, Jay, Kaiser Health News. "Feds spend billions to kickstart health care innovation," PBS NewsHour, 11 Aug. 2014. Available at: www.pbs.org/newshour/run-down/feds-spend-billions-kickstart-health-care-innovation/
- ⁱⁱⁱ HHS FY2015 Budget in Brief. Centers for Medicare & Medicaid Services: Center for Medicare & Medicaid Innovation. HHS.gov. Available at: www.hhs.gov/budget/fy2015-hhs-budget-in-brief/hhs-fy2015budget-in-brief-cms-innovation-programs.html
- ^{iv} Medicare ACOs continue to succeed in improving care, lowering cost growth. 16 Sept. 2014. CMS.gov. Available at: www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2014-Fact-sheets-items/2014-09-16.html
- ^v Evans, Melanie. "Medicare ACOs improve quality, have mixed results on slowing spending, CMS says." Modernhealthcare.com. 16 Sept. 2014. Available at: www.modernhealthcare.com/article/20140916/NEWS/309169938&utm_source=AltURL&utm_medium=email&utm_campaign=am&AllowView=VXQ0UnpwZTVBL1dZL1lzSkUvSHRIRU9namtvZEErVIY=2mhv
- ^{vi} CMS Partnership for Patients. Institute for Healthcare Improvement. Available at: www.ihl.org/topics/cmspartnershipforpatients/Pages/default.aspx
- ^{vii} HHS FY2015 Budget in Brief. Centers for Medicare & Medicaid Services (CMS): Center for Medicare & Medicaid Innovation. HHS.gov. Available at: www.hhs.gov/budget/fy2015-hhs-budget-in-brief/hhs-fy2015budget-in-brief-cms-innovation-programs.html
- ^{viii} Ibid. Available at: www.hhs.gov/budget/fy2015-hhs-budget-in-brief/hhs-fy2015budget-in-brief-cms-innovation-programs.html

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