

Value-Based Payment NEWS

Deloitte Asks: ‘Could MACRA Be Catalyst for States’ Value-Based Care Efforts?’

Medicaid is often overlooked in conversations about value-based strategy, notes the Deloitte Center for Health Solutions, but it shouldn't be. “State initiatives can present major opportunities for health plans and providers,” the consulting firm says in a health policy brief, noting as well that “many states have been experimenting with Medicaid alternative payment models to control spending, improve care and increase accountability.” But have any worked? And what about the Medicare Quality Payment Program and the Medicare Access and CHIP Reauthorization Act? Deloitte reviewed the literature and conducted the interviews and came up with these key findings:

- Although many state initiatives are under way, “relatively few have been evaluated for their impact on cost or outcomes.” One reason: They're relatively new, so there hasn't been enough time to see all their effects; also, “the cost and complexity of formal evaluations may be a limiting factor.”
- Plans cite legal barriers, market competition and evaluation costs as reasons for limited information sharing.
- Evaluated initiatives have focused largely on improving primary care through patient-centered medical homes, and those findings have been mixed – “some older initiatives, such as North Carolina's PCMH, saved money over time; some newer initiatives, such as Ohio's specialty health home, increased costs despite improving care in the short term.”
- A few states pursue episode of care payments, and Arkansas has achieved “some positive outcomes” through its statewide multi-payer initiative.
- Several states have implemented accountable care organizations, and more states are planning to do so. “Early results from Oregon and Colorado show that ACOs can reduce unnecessary utilization and lower costs,” but their effect on quality is still “largely unknown.”
- The impact of Medicaid APMs on care delivery depends on how much provider revenue comes from Medicaid, so “alignment of design, reporting requirements and financial incentives with other payers may be necessary to support and incentivize providers who treat a lower volume of Medicaid patients.”
- Medicaid models may need to evolve to incorporate more financial risk and increase participants' meaningful use of electronic health records, both of which require “new or additional investment in technology and data analytics tools.”

Here are additional details from the briefing.

Medicaid APMs base payment on quality, but “few require participants to bear financial risk.”

(continued on page 2)

Integra Connect: Specialty Practices ‘Unprepared for MACRA Requirements’

Integra Connect, a leading provider of technologies and services for value-based specialty care, reports survey findings that “a growing number of specialty physicians -- comprised mainly of oncologists and urologists -- recognize that clinical, financial and operational changes are needed to be successful under value-based care reimbursement models stemming from Medicare Access and CHIP Reauthorization Act regulations.”

The bad news: “The majority have not yet invested in organizational, information technology or service improvements to accomplish those changes.” Integra Connect surveyed 800 US specialty physicians, about 60/40 oncology/urology.

- 100% of survey respondents “indicated they have not yet fully grasped MACRA's impact on their practices.”
- The most common description of awareness, reported by 71%: “I am learning, but have a long way to go.”
- 56% said they are “aiming to deliver cost savings under MACRA through practice transformation to avoid unnecessary hospital stays and emergency room use.”
- But 40% are “taking a ‘do-it-yourself’ approach limited to their existing resources and tools.”
- And 24% are “not prepared at all.”

(continued on page 4)