

Sustinet Provider Advisory Committee

General Comments on Reimbursement Strategy:

1. Define our goals clearly – what do we want people to do?
2. No compensation system is optimal – especially given the complexity of health care delivery.

Develop different incentives to achieve different outcomes. Anticipate potential unanticipated, unintended consequences.

Primary Goals of Reimbursement Strategy:

1. Quality, safety, cost effectiveness.
2. Incent appropriate care, not volume
3. Zero medical inflation
4. Support quality and safety.

Challenges

1. Create overall cost savings:
 - a. while improving base compensation to invite wide provider support
 - b. while expanding access to more people.
2. Cost saving strategies have to be implemented up front and must support overall quality and safety

Reimbursement Principles:

1. Medicare to Medicaid fee schedule equivalency:
 - a. Necessary to engage the wider provider community
 - b. But not sufficient to bring forward reforms and control of overall cost that will be needed
 - c. Approximation is the goal, understanding that other reimbursement structures beyond fee for service will be needed
2. Targeting zero growth in medical costs
 - a. This creates the funding going forward for expanding coverage
3. Accountability
 - a. Reimbursement must support greater accountability of providers for overall outcomes for individuals and the population
 - b. Our current structure rewards fragmented care that is often excessive and redundant
4. Transparency

- a. Clear risk analysis with open formulas and policies
 - b. Reimbursement must support transparency in terms of quality and safety
 - c. Providers will need to report on agreed on measures
 - d. Incentives to providers should be clearly stated and aligned with providing real value
5. Fairness principle
 - a. Balanced approach that addresses providers and payers, including employers, taxpayers and the State
 6. Aligned incentives for providers and patients
 - a. Both have incentives for improving health and reaching common goals
 - b. Encouraging self-management and prevention through lifestyle changes
 7. Measurement
 - a. Clear data to track achievement
 - b. Easy access to data by all participants
 8. Balance of prevention and treatment
 - a. Reimbursement must be allocated to support prevention in addition to treatment
 - b. Current structures favor treatment over prevention and are not designed to maximize wellness for individuals or the population
 9. Collaboration and organization
 - a. Reimbursement must support improved coordination of care among all providers
 - b. Incentivizing a collaborative process to deliver efficient and highly effective care
 10. Expanded medical home model
 - a. Medical home needs to be supported without creating another silo in the system
 - b. The medical home support will reward clinical partnerships between primary care and specialists and other providers
 11. Using the RFP process to create change
 - a. Utilizing the RFP process to create change in the system
 - b. Control the administrative costs of the plan
 - c. Access the expertise of insurers to translate these principles into actionable steps that can be implemented and measured readily.