



AMERICA'S AFFORDABLE HEALTH CHOICES ACT

QUALITY AFFORDABLE HEALTH CARE

HEALTH REFORM AT A GLANCE: INNOVATIVE DELIVERY SYSTEM REFORM

Reining in rising health costs and improving quality hinges on doctors, hospitals, and other providers working together to ensure they are providing the right care to the right patient at the right time. Rather than rewarding the *quantity* of care, payment systems must be modernized to reward high *quality* care. Realignment of payment incentives will reduce overuse, slow the growth of health care costs, and improve Americans' health. America's Affordable Health Choices Act contains multiple provisions to reform the health care delivery system.

PROMOTING ACCOUNTABLE CARE ORGANIZATIONS

An "accountable care organization" is an organized group of physicians who are rewarded for providing high quality care at low cost over a sustained period of time. Section 1301 directs the Secretary to establish a comprehensive ACO pilot program and authorizes rapid expansion of the program where it proves successful in improving quality and keeping costs under control.

PROMOTING PAYMENT BUNDLING

Hospital and physician incentives can be restructured by paying a lump sum for an episode of care ("bundling" payments), rather than paying separately for each service provided. Section 1152 directs the Secretary to establish pilot programs to test the effectiveness of payment bundling across the nation in a wide array of formats so we can learn the best way to bundle payments to encourage efficiency and ensure quality.

REDUCING HOSPITAL READMISSIONS

Section 1151 uses new financial incentives to encourage hospitals and post-acute providers to undertake reforms needed to reduce preventable readmissions, which will improve care for beneficiaries and rein in unnecessary health care spending.

REWARDING HIGH-QUALITY AND EFFICIENT CARE

Section 1162 provides for increased payments to Medicare Advantage plans that demonstrate high quality of care and outcomes and plans that significantly improve quality. Section 1123 increases Medicare rates by 5% in the areas of the country that provide the most efficient care.

PROMOTING THE "MEDICAL HOME" MODEL

Section 1302 directs the Secretary to establish a pilot program to reward physicians and nurse practitioners who make their offices a "medical home" for patients by being fully available to patients and by ensuring that patient care is coordinated and comprehensive. The Secretary is authorized to rapidly expand the medical home concept if it proves effective in improving quality of care and holding down costs.

PROMOTING "SHARED DECISIONMAKING"

There is evidence that providing patients with more information about the risk and benefits of treatment options can help keep health care costs down and ensures that patients are fully involved in the care they

receive. Section 1235 directs the Secretary to establish a demonstration program to evaluate the benefits of having doctors spend more time consulting with their patients about various treatment options.

PROMOTING PRIMARY CARE

Primary care providers can provide lower cost and higher quality care for many ailments. Section 1303 increases payment rates for primary care physicians by 5% and provides an additional 5% payment increase for primary care physicians in health shortage areas. Section 1121 provides for preferential updates for payment rates for primary care services in Medicare. Section 2212 expands scholarships and section 2211 creates a new loan repayment program to train more primary care physicians. Section 2201 builds on current expansions to the National Health Service Corps to get more physicians to health shortage areas, and this expansion in the Corps could eliminate 40% of the current estimated deficit in primary care providers. Sections 1501 and 1502 encourage more training of primary care medical residents and advance training in the outpatient setting, where most primary care is delivered.

DISCLOSING FINANCIAL RELATIONSHIPS

Section 1451 reflects MedPAC recommendations that all manufacturers of drugs and devices should report their financial relationships with health entities, including physicians, pharmacies, hospitals, and other organizations. MedPAC has concluded that such relationships can create conflicts, which lead to increased spending and suboptimal patient care.

UPDATED PAYMENT RATES

MedPAC has identified areas of overpayment to skilled nursing facilities, inpatient rehabilitation facilities, and home health care providers. Sections 1101, 1102, and 1154 adopt these payment changes to ensure we are spending taxpayer dollars appropriately. Sections 1103, 1131 and 1155 embrace the President's recommendation to adjust payments so that providers are encouraged to increased productivity in how they deliver health care.

INNOVATION AND EXPERIMENTATION IN MEDICARE AND MEDICAID

Section 1222(a) creates a new Center for Payment Innovation within CMS to allow for testing and expansion of promising payment models within Medicare and Medicaid.

HEALTHCARE ASSOCIATED INFECTIONS

Section 1461 requires that hospitals and ambulatory surgical centers report public health information on healthcare associated infections to the Centers for Disease Control and Prevention. Section 1751 expands to Medicaid the current Medicare policy of denying payment for certain healthcare associated infections.

MORE AND BETTER HEALTH CARE DATA

The transition to a more efficient, higher-quality health care system begins with getting more data about the clinical effectiveness of medical procedures. Section 1401 invests \$2.9 billion in comparative effectiveness research. Sections 1124, and 1441, 1443, 1444 and 1145 expand physician and hospital reporting of quality measures. Section 2531 creates a registry to track the use of medical devices. Section 1442 directs the Secretary to develop improved measures of health care quality. Section 2402 creates the Assistant Secretary for Health Information to provide for ongoing monitoring and reporting on critical population health data.

DEVELOPING NEW INNOVATIVE PRACTICES TO IMPROVE QUALITY

Measurement of quality is only useful if there are levers for change. Section 2401 creates the Center for Quality Improvement at the Agency for Healthcare Quality and Research in order to identify existing best practices, develop new best practices, and disseminate successful models around the country.