PHILANTHROPY’S ROLE
IN THE UNCERTAIN FUTURE OF
HEALTHCARE REFORM

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Philanthropy Southwest Annual Conference October 13, 2017
BEYOND REPEAL AND REPLACE DEBATE

Future of ACA expansion and reform
State flexibility: waivers & administrative action
Public health and opioid epidemic
Long term care and an aging population
Financing and program restructuring
STATES WORRY ABOUT RISING MEDICAID COSTS


Note: SFY is state fiscal year. The all federal and state funds category reflects amounts from any source. The state general funds only category reflects amounts from revenues raised through income, sales, and other broad-based state taxes. The all state funds only category reflects amounts from any non-federal source; these include state general funds, other state funds (amounts from revenue sources that are restricted by law for particular government functions or activities, which for Medicaid includes provider taxes and local funds), and bonds (expenditures from the sale of bonds, generally for capital projects). Amounts shown here reflect the most recent information available in cases where data for a given year were published and then updated in a subsequent report.

Source: MACPAC 2016a.
WHAT DOES MEDICAID’S FUTURE LOOK LIKE?

Will Medicaid’s framework remain but undergo changes on a state-by-state basis via waivers and other administrative tools? And will the adult coverage expansion grow or shrink?

OR

Will Congress enact nationwide change to Medicaid’s financial structure (e.g., block grants, per capita caps) and/or other changes?
STATE FLEXIBILITY

POTENTIAL IMPLICATIONS

+ **Employment/Job Training Requirements** – Multiple states proposing to enact requirements as condition of eligibility (with exceptions). May lead to loss of or disruptions in coverage.

+ **Cost Sharing** – If patients fail to pay premiums and lose coverage, health centers must continue to treat them, but without Medicaid reimbursement.

+ **Lifetime Eligibility Period Limits**

+ **Non-Emergency Medical Transportation Waivers** – May further strain enabling services budgets if states aren’t providing this service.

+ **Waivers of Retroactive Eligibility** – Providers would no longer receive payment for services rendered prior to Medicaid enrollment.

+ **Waivers of FQHC Benefits or Payment Requirements**
Well-Child Checkup
Doctor Visit Among Adults
Specialist Visit Among Adults
Adults Satisfied With Their Health Care

Percent reporting in the last year:

85% 86%
M 69%
36%
30% 24%
9%
85% 87%

NOTE: Access measures reflect experience in past 12 months. Respondents who said usual source of care was the emergency room are not counted as having a usual source of care. SOURCE: KCMU analysis of 2015 NHIS data.
SUPPORT FOR SAFETY NET PROVIDERS

- **Disproportionate Share Hospitals**
  - (Supplemental Payments)

- **Federally Qualified Health Centers & Rural Health Clinics**
  - (Enhanced Fee-for-service Rates)

- **Community Mental Health Centers & Substance Abuse Providers**
  - (Grants)

- **Public Health Systems**
  - (Fixed Budgets)

- **Community-Based Social Service Agencies**
  - (Grants)
“Practice transformation without a financial model including start-up is not sustainable.”
THE SINGLE AIM IS VALUE

The best care

For the whole population

At the lowest cost

Improve individual experience

Control inflation of per capita costs

Improve population health

SOURCE: Institute for Healthcare Improvement, Triple Aim Initiative www.ihi.org
The framework situates existing and potential APMs into a series of categories.

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In the summer of 2008, the Comer Science and Education Foundation commissioned Health Management Associates to study the health status of the Medicaid population on Chicago’s South Side and develop a plan for optimizing the region’s existing health care infrastructure.

**Key Roles of the Comer Foundation:**

- Neutral broker among providers
- Underwrote consultative expertise
- Supported administrative start-up costs
- Helped build infrastructure
- Political credibility
Supporting Texas Medicaid’s Value-Based Contracting Program

Promoting Pay For Success as a Financing Mechanism

Health Sector Leadership
*THIN
*Alliance
*HHS

Safety Net Clinic Support
*SDH tools
*Learning collaboratives
*RHC initiative
*FQHC initiative
*Engagement & advocacy training

Messaging: #healthnotjusthealthcare
OTHER EXAMPLES FROM PHILANTHROPY

RWJF’s Safety Net Advancement Center *SafetyNet@asu.edu*

- Online, curated resource center
- Grantmaking support for payment reform projects
- Scholarships for technical assistance
- Audience: FQHCs, community MH centers, public hospitals, tribal health centers, CACs, oral health providers

Blue Shield of California & California Endowment

- Supporting the PCA and public hospital association to pilot APMs for FQHCs
- Grantmaking to dozens of clinics to learn and participate
OPPORTUNITIES FOR PHILANTHROPY

- Testing Payment Models & Providing Technical Assistance
- Funding Research & Disseminating Best Practices
- Convening Payers
- Policy Advocacy & Education
- Undocumented Populations

Source: See Ducas and Bailit, What Funders Can Do To Advance Payment Reform, Health Affairs Blog, 2/15/17