The Future of Accountable Medicare: Driving Innovation and Value in Medicare Advantage

Private Convening Summary C Next Steps

On July 17, the Duke-Margolis Institute for Health Policy (DMI), in collaboration with West Health, hosted a private convening with Centers for Medicare and Medicaid Services (CMS) leaders from the Center for Medicare and the CMS Innovation Center (Innovation Center) and health care leaders across industries, including providers, payers, health systems, and quality and data experts. Participants discussed potential short- and long-term reforms to improve performance of Medicare Advantage (MA) across three key areas: **1) modernizing risk adjustment (RA) and performance measurement in MA, 2) increasing participation in advanced alternative payment models (AAPMs) that engage physician groups, and 3) increasing choice and competition through improving transparency and design elements, as well as alignment across MA and Traditional Medicare (TM) accountable programs.** The following is an overview of potential policy opportunities and next steps, followed up a summary of key themes participants shared as critical to address across session topics.

DMI looks forward to engaging with participants in next steps to advance accountable MA as we build on our collaborative work with West Health to date. We value participant feedback on next steps outlined below.

Potential Next Steps informed by Duke-Margolis' Work:

- Continue to advance DMI efforts to modernize RA, including through technical empirical work. This could include broadening effort to explore use of encounter data elements.
- Development of a RA paper focused on key principals of RA (i.e., outline ultimate goal of RA)
- Identify and advance opportunities to reform Medicare Shared Savings program (SSP) benchmarking to support choice and competition with MA
- Identify consensus components of advanced APM models (e.g., global risk, total care capitation, and ability to implement comprehensive benefits) and identify operational solutions to increase participation, building on work to understand participant experiences in advanced models, like ACO REACH in TM.
    - Consider Stars reforms to move towards more streamlined and meaningful outcome measures. To incentivize MA participation in AAPMs, there is an opportunity to leverage APM survey data to inform Stars reform by including a measure focused on the percentage of MA plan payments tied to VBP arrangements.
    - Could include additional engagement with stakeholders on implications of additional CMS involvement in MA contracts (e.g., non-interference authority, leveraging Innovation Center waiver authority, piloting standard contract elements through rapid learning opportunities).
    - Additional stakeholder engagement (potentially a convening on operational challenges in AAPM and full-risk uptake) to support increased AAPM participation and promote choice and competition across the Medicare program.
- DMI will continue to engage with CMS on its specialty care strategy and opportunities to support multipayer alignment in APM design to support specialty provider participation. This could include advancing multipayer shadow bundle data availability and working with CMS on key elements of APMs designed with specialist participation at the forefront.

- Explore strategies to support informed beneficiary choice in Medicare coverage (e.g., develop recommendations for CMS to consider broadening TM marketing capabilities)
- This additional stakeholder engagement and DMI research will culminate in a public-facing brief or "playbook" that outlines a clear pathway to increase accountable care adoption across public and private payers. This playbook would include specific policy levers and/or recommendations to be used in policymaker engagement.

Key Themes from Discussion

Need for Financial Incentive Reform – Risk Adjustment & Performance Measures

- Participants discussed the goal of RA and there was consensus on maintaining the core focus is on reducing risk. There was consensus on need to address administrative burden of RA and performance measures.
- There was consensus on importance of shifting focus of RA on opportunities to reduce patient risk (e.g., preventive care versus sick care) by linking incentives and accountability to actions that reduce risk.
- Financial incentives could include Stars reform focused on metrics that reduce risk, including movement to more outcome-based measures and payment for preventive care.

Advancing Multipayer Alignment to Support Increased Participation in AAPMs/Full-risk Arrangements

- Multiple participants shared challenges they are experiencing to financially justify staying in MA AAPMs, particularly among integrated systems and smaller provider groups.
    - Notably, contracts have been canceled and more success for some has been seen in ACO REACH and other TM accountable models.
- Several participants discussed lack of clarity regarding permitted contract elements, such as parameters for supplemental benefit offerings (e.g., food permitted for purchase with cash cards). Discussion was had on expanding CMS' role in contracts, including implications of waiving the non-interference clause.

MA Data Transparency & Improvements

- There was consensus around the need for improved transparency in MA data that provides insight into beneficiary-level supplemental benefit utilization and outcomes data.
- Discussion also focused on the importance of comprehensive data availability for plan performance and beneficiary comparison.
- Promote additional transparency into prior authorization, utilization management, and denial rates

Beneficiary Engagement

- Beneficiary engagement in their care and with their providers was a key pillar of discussion across sessions. Participants discussed feasibility of developing consumer-facing technology (e.g., an app) for Medicare beneficiaries to support engagement and generate patient-reported data.
- Participants agreed that reforms to broker practices are necessary to equip beneficiaries with tools and knowledge to make informed choices. Strategies could include nudges for decision-making (e.g., badges to delineate plan quality).

- Improved access to beneficiary-level supplemental benefit utilization and outcome data is needed to promote transparency and informed beneficiary decision-making

Promoting Choice and Competition among MA Plans & Between MA and TM

- Participants discussed differences in marketing practices between MA and accountable TM models due to variation in permitted actions
    - Ex: MA plans can market more freely in networks than systems in TM ACO models
    - CMS could explore opportunities to provide clarification and/or modify marketing and communication questions between ACOs, participating providers, and TM beneficiaries
- Additional time will be needed to explore opportunities to improve TM benefits and flexibility in use of ACO savings.
- Participants acknowledged the importance of considering the tradeoffs of MA reforms that involve spending reductions on benefit availability when exploring alignment opportunities.

This convening was supported by a collaborative initiative between the Duke-Margolis Institute for Health Policy and West Health to advance and accelerate value-based care in the U.S. health care system, and leverages a range of Duke-Margolis initiatives on improving evidence for better health care.