Duke-Margolis Approach and Focus

Health Care Transformation

- **Accelerate Medicare accountable care transformations**
- Supporting Medicaid and state health care transformation in North Carolina and other states
- Develop coordinated, longitudinal care models for medically and socially underserved populations

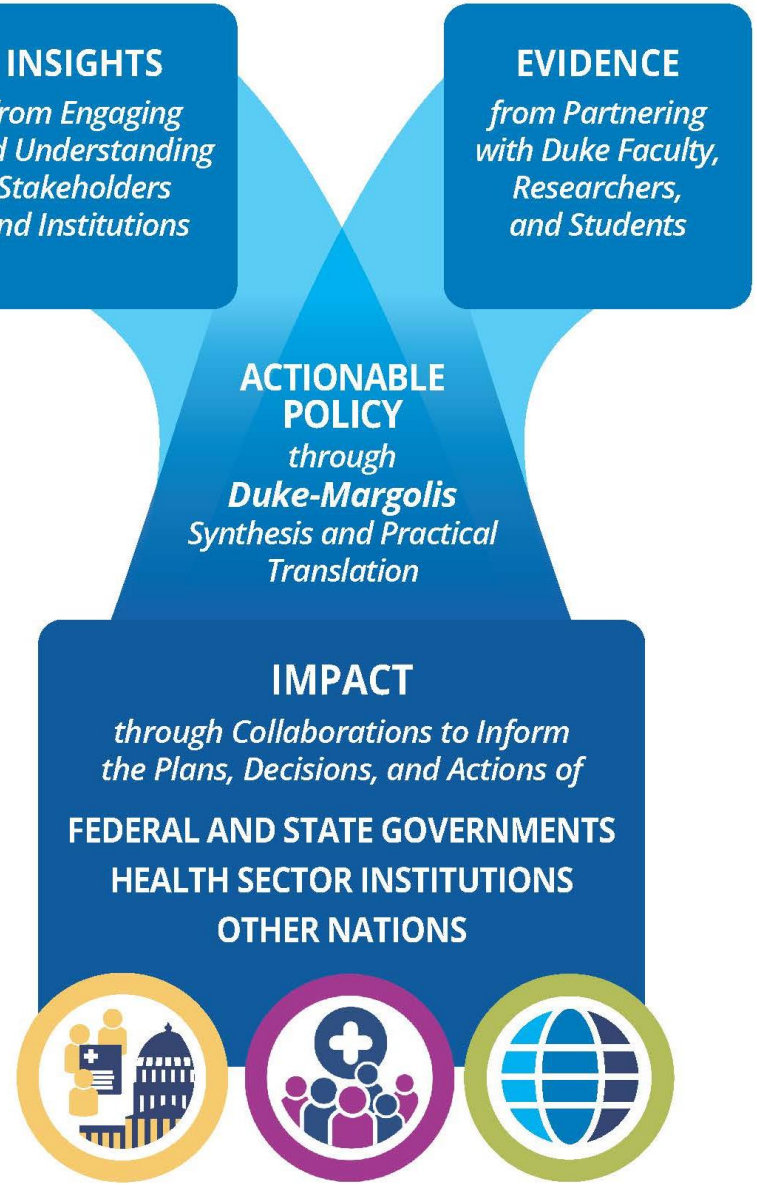
Medical Product Payment & Biomedical Innovation

- Better evidence and methods for regulatory decisions
- Value-based payment reforms for medical products
- Advancing regulatory and development science for drugs, devices, diagnostics, digital health

Education

- Undergraduate Education
- Graduate and Professional Education
- Experiential learning through real-world projects and internships
- Margolis Scholars
- Continuing and executive Education

Reducing Health Inequities



Potentially Feasible Approaches to Reduce Gaming and Burden, and Advance CMS Priorities

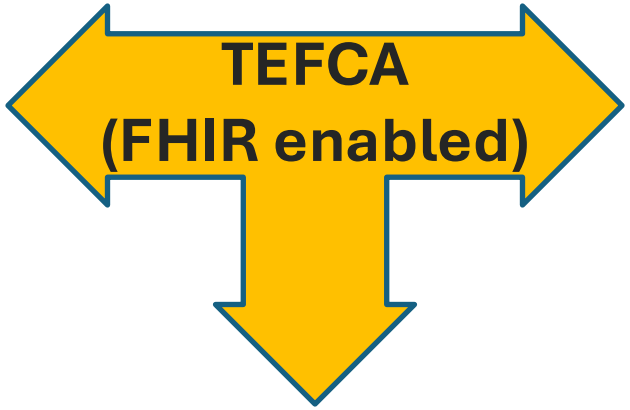
Feasible pathway for improving key data for accurate and nonburdensome risk adjustment, aligned with overall CMS digital health strategy to advance more timely bulk sharing of claims and electronic health records to facilitate faster and more predictable coverage decisions and payment

- Identify key electronic health data that are (or should be) routinely collected and shared for care delivery
- Implement bulk data exchange strategies building on current CMS/MA plan strategies (e.g., for more accurate and less burdensome quality measures and real-time, accurate prior authorization processes)
- Could start with available electronic health data most likely to accurately reflect chronic disease risks that have been eliminated in recent risk adjustment reforms (e.g., early-stage CKD, cardiometabolic syndrome and diabetes, hypertension, clinically meaningful atherosclerotic disease, etc.)
- Future path could align with further CMS priorities – e.g., patient-reported and patient-generated data (functional status, food insecurity)

Need for a Common Thread

Reforms in risk adjustment complement other CMS initiatives and areas in need of reform, creating an opportunity to further align efforts and reduce administrative burden

Performance Measures
CMS has highlighted a strategic goal of using routine bulk data sharing to improve care and reduce burden in TM through timely sharing of claims information (and potentially faster payment), in conjunction with electronic health information data sharing for clinical performance measures (e.g., diabetes and blood pressure control).



Risk Adjustment
Feasible approaches for risk adjustment could more effectively leverage similar data including claims and encounter data and ultimately key electronic health data that are routinely collected and shared for care delivery, thus reducing administrative burden.

Patient-Centric, Intelligent Care Healthcare Ecosystem
Progress on foundational digital health strategies and a recently announced commitment to promoting a CMS Interoperability Framework to more seamlessly share information can advance and align of these reforms

J. Michael McWilliams, MD, PhD

- Professor of Health Care Policy & Medicine, Harvard Medical School
  - Research:
    1) Impact and design of payment systems (including risk adjustment)
    2) Organization and quality of care delivery
    3) Role of markets in health care
    4) Physician behavior/agency
- Senior Advisor, CMMI/CMS
  - Remarks today reflect my own views and not those of CMS/CMMI

Problems

1) Risk adjustment → "Overpayments" (↑ benefits)
   → Distortionary incentives

2) Limited competition → Limited passthru

Policy Approach

1) Improve risk adjustment
   - Goal = right set of incentives, not "accuracy"
   - Tradeoffs: selection, coding (gaming), cost control, disparities
   - Strategies (need *combination*):
     A. Model inputs – make less manipulable & more informative
     B. Reinsurance – risk adjustment's "BFF"
     C. Novel statistical approaches
     D. Long-term – build infrastructure for independent standardized collection of data on population health for sufficient sample

2) Payment level reset based on desired level of coverage generosity
   A. Countervailing increase in MA payments
   B. Improvements to traditional Medicare

3) Strengthen competition
   A. MA: improve choice architecture
   B. ACOs: allow savings to be shared with beneficiaries

MAYO CLINIC

UW Medicine

UC San Diego HEALTH SYSTEM

VANDERBILT UNIVERSITY MEDICAL CENTER

CENTRAL OHIO PRIMARY CARE
THE BEST FOR PRIMARY CARE

Full Risk
82 clinics
Independent from but collaborate with heath systems
470 physicians
450,000 patients
75,000 MA / ACO reach

Victor Legner MD MS

Jad Hayes
Actuary, Aledade Inc.

About me

- I’ve worked in value-based care since 2006My experience includes chronic care, oncology, and primary care
- I have supported clinical initiatives, designed methods for measuring outcomes, and supported revenue functions

About Aledade

- Aledade is focused exclusively on value-based care
- We support physician offices, FQHCs and RHCs, and hospitals, by providing technology, tools, analytics, and other services for providers
- Aledade has been providing these VBC services for over a decade, and we operate in MSSP (including ACO REACH and PC Flex), Medicare Advantage, commercial, and Medicaid

Aledade