

GUNDERSEN HEALTH SYSTEM®

June 19, 2015

The Honorable Orrin Hatch
Chairman, Senate Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510-6200

The Honorable Ron Wyden
Ranking Member, Senate Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510-6200

The Honorable Johnny Isakson
Member, Senate Committee on Finance
Co-Chair, Chronic Care Working Group
United States Senate
131 Russell Senate Office Building
Washington, DC 20510

The Honorable Mark Warner
Member, Senate Committee on Finance
Co-Chair, Chronic Care Working Group
United States Senate
475 Russell Senate Office Building
Washington, DC 20510

Re: Comments for Senate Finance Committee Chronic Care Working Group

Dear Chairman Hatch, Ranking Member Wyden, and Working Group Co-Chairs Isakson and Warner:

On behalf of Gundersen Health System, we are writing to respond to the request for input to assist the Senate Finance Committee in bipartisan chronic care reform policy development. We applaud the committee's efforts and focus on addressing chronic illness through public policy. To support this endeavor, we believe programs from Gundersen Health System will serve the committee's policymaking process. Our innovative advance care planning program ensures patient's wishes and goals are honored for end-of-life care. In addition, our experience with effectively reducing costs in chronic care through our care coordination is a model for broad payment policy.

Gundersen Health System provides integrated care for patients along the rural Mississippi River stretches in western Wisconsin, northeast Iowa, and southeast Minnesota. As the largest employer in the La Crosse, Wisconsin region with over 6,000 employees, Gundersen provides clinical services, level II trauma care, and medical education along with ground ambulance services, med link air transport, and a five-star rated Medicare Advantage insurance plan for the past four years. Moreover, Gundersen has consistently achieved top national rankings in many areas of clinical excellence including named as a Healthgrades Top 100 hospital in overall care and many specialty areas.

As a founding member of the Healthcare Quality Coalition, our approach to care is value-based. Gundersen Health System strongly supports public policies that moves away from volume-based care to a system that rewards value-based care—high quality at low cost. In supporting this approach, a Medicare Payment and Advisory Commission (MedPAC) study found the La Crosse, Wisconsin region to have the *lowest utilization* of Medicare services per beneficiary *in the nation*. This demonstrates our efficiency in caring for our Medicare patients and coupled with our quality outcomes, makes us a provider of high value care.

Our comments are focused on advancing two key programs aimed at improving chronic care for our nation's seniors that we urge the committee to consider:

1. **Support enactment of comprehensive advance care planning via S. 1549 – the *Care Planning Act***
2. **Incentivizing wide-spread adoption of interdisciplinary care coordination services for the most chronically ill patients.**

S. 1549 – the Care Planning Act

Many times patients are unable to participate in decision making or express their wishes at the end-of-life. This demonstrates the importance of advance care planning which differs from “living wills” and other documentation because advance directives are readily available and accessible in a patient’s electronic medical record. Advance care planning is an effective use of resources and reduces the burden on family members whom would otherwise have to make difficult decisions. Advance care planning ensures patient’s wishes are honored and followed by providing the right care at the right time. Authored by Senators Warner and Isakson, enacting the “Care Planning Act” would be an important step forward to widespread adoption of best practices around end-of-life care.

The bi-partisan Care Planning Act provides important resources for increasing the awareness and prevalence of advance care planning to patients and providers. Through establishing grant programs for outreach and inclusion of service description in the “Medicare & You” handbook, spreading the importance of care planning is critical to wider adoption. In addition, we are pleased with the interdisciplinary, team-based reimbursement approach that is reflective of best practices for providing planning services as part of the bill.

The Care Planning Act directly aligns with improvements in chronic care services. The service reimbursement provision of the bill is triggered by a change in patient’s illness and disease status, which may be chronically-related. This policy is an important alignment with the continuum of care, is financially responsible, and reflective of clinical care processes and interventions.

Completing an advance care plan is only one step in the process. The next aspect is adherence to the patient directed plan, by honoring patient’s wishes through implementing a set of patient-centered quality measures. The Care Planning Act sets a process to analyze and implement quality measures critical to a comprehensive advance care planning program. A study published in the *Journal of the American Geriatrics Society*, researchers found a link between having conversations and documentation about end-of-life care, and adherence to the care plans.¹ In fact, in La Crosse, Wisconsin 99.4% of patients at the end-of-life have an advance care plan easily accessible in their medical record,² compared to the national average of fewer than 50%.³

In sum, we urge members of the Senate Committee on Finance to support and advance this bi-partisan bill as soon as possible. While community and grassroots efforts continue to move to wider implementation of advance care planning, these efforts are limited due to restrictions in Medicare

¹ Fromme EK, Zive D, Schmidt TA, Cook JNB, & Tolle SW. “Association between physician orders for life-sustaining treatment for scope of treatment and in-hospital death in Oregon.” *Journal of the American Geriatrics Society* (2014): 1-6. doi:10.1111/jgs.12889

² Hammes BJ, Rooney, GL, Gundrum, JD. “A comparative, retrospective, observational study of the prevalence, availability, and specificity of advance care plans in a county that implemented an advance care planning microsystem.” *Journal of American Geriatric Society* 58 (2010):1249-55.

³ Kass-Bartelmes BL, Hughes R, Rutherford MK. “Advance care planning: preferences for care at the end of life.” *Agency for Healthcare Research and Quality*, Research in Action Issue #12 (2003).

policy. We believe public policy has a crucial role to ensure our nation's seniors are assured high quality, patient-centered care.

Value-based policy through Care Coordination

Health care spending is largely associated with the care of a very small percentage of the population afflicted with chronic diseases. According to the CMS 2012 Chronic Condition Chartbook, approximately 37% of Medicare beneficiaries with 4 or more chronic conditions account for 74% of all Medicare spending and 90 % of the hospital readmissions. We recommend efforts should promote value to the patient and cost reduction among the services provided in care of chronic diseases. Congress must take steps to immediately address the cost drivers in health care.

Better care of patients with multiple chronic conditions will improve their lives with the additional goal of decreasing overall Medicare spending. Leading by example at Gundersen Health System, we developed and implemented an innovative Care Coordination program that reduces unnecessary hospitalizations and utilization of healthcare services. By enrolling our sickest 1-2% of patients, care coordination has substantially reduced healthcare costs for this chronically ill population. Care coordination services are complimentary to patients but is not incentivized nor rewarded in the Medicare fee-based, volume driven payment system.

To address the prevalence of chronic disease, in 2003 Gundersen Health System developed and implemented a Care Coordination program as test pilot for cardiology patients. Since the initial roll out, the program has expanded to include patients with an array of chronic physical and psychosocial conditions. The program is managed by an interdisciplinary team of clinicians, nurses, and social workers. The evidence-based, tiered approach focuses on patient satisfaction, reduced preventable admissions, lowered emergency room visits and increased patient compliance with treatment plans. Our results indicate after 12 months enrolling the our sickest patients in Care Coordination has shown to reduce unplanned healthcare charges by 51% and increased to 64% following 24 months in the program. Unplanned healthcare charges include readmissions, emergency department visits and inpatient hospital stays. Additionally, there was nearly a 50% reduction in length of hospital stays for patients enrolled in Care Coordination.

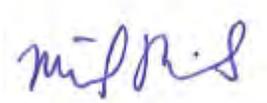
Over a decade ago, at no cost to our patients Gundersen Health System invested in a pilot program to reduce healthcare costs and have since expanded to all patients with complex illnesses in following our mission of serving our patients and communities. Broadly, Medicare fee-for-service reimbursement policy does not provide incentives for care coordination. Policymakers can address this shortcoming for a targeted population attributing significantly to healthcare spending by reimbursing for care coordination services. Models of payment should follow the principles of capitation-based payment and reimburse *organizations* and *care teams* per-member per-month for managing patients with severe, multiple chronic illnesses. Medicare needs to enact broad payment reform to incentivize value, and target reimbursement beyond the physician fee schedule to interdisciplinary care teams to drive improved quality and lower costs.

Conclusion

On behalf of Gundersen Health System, we appreciate the opportunity to comment on ideas to improve the quality of care and reduce costs for patients with chronic conditions. We strongly support a healthcare delivery system that is value-based and hope our comments help develop new policies to ensure access, improve quality, and reduce cost.

If you have any questions or need clarification, please feel free to contact us. We look forward to continue working with you and members of the Senate Finance Committee on important healthcare policy issues. If we can provide any other assistance, please feel free to contact me anytime.

Sincerely,

A handwritten signature in blue ink, appearing to read "m. richards".

Michael D. Richards
Executive Director of External Affairs
Gundersen Health System