June 19, 2015

Chairman Orrin Hatch
Ranking Member Ron Wyden
Senator Johnny Isakson
Senator Mark Warner
United States Senate
Committee on Finance

Submitted electronically via email to: chronic_care@finance.senate.gov

RE: Comments Regarding Ways to Improve Outcomes for Medicare Patients with Chronic Conditions

Dear Chairman Hatch, Ranking Member Wyden and Senators Isakson and Warner:

We appreciate the opportunity to provide comments on ways to improve outcomes for Medicare patients with chronic conditions. We commend the Senate Committee on Finance for forming a bipartisan, full Finance Committee chronic care working group, co-chaired by Senators Isakson and Warner.

The Gary and Mary West Health Institute is an independent, nonprofit medical research organization that works with non-profit healthcare providers and research institutions to create new, more effective ways of delivering care. Established in 2009, with offices in San Diego, CA and Washington, D.C., it is solely funded by philanthropists Gary and Mary West. West Health is different from other organizations in that we are nonpartisan and are not accountable to shareholders or a membership. As such, we are able to advocate for issues supported by research that are most beneficial to patients, especially seniors. West Health is focused on "successful aging" - - enabling seniors to live their lives on their own terms with access to high-quality health and support services that preserve and protect one's dignity, quality of life and independence.

West Health is pleased to provide feedback on the following issue areas:

1. **Improvements to Medicare Advantage for patients living with multiple chronic conditions;**
7. **Options for empowering Medicare patients to play a greater role in managing their health and meaningfully engaging with their health care providers;**

Value-Based Insurance Design in Medicare Advantage

Use of Value-Based Insurance Design (V-BID) in Medicare Advantage (MA) plans may lower or eliminate-cost sharing to promote evidence-based, high-value treatments and clinical services used to treat and manage chronic disease. Advancing the proposed Medicare Advantage demonstration to allow participating MA plans to use V-BID to lower copayments and coinsurance in order to encourage the use of specific, evidence-based medications or clinical services as well as specific high-performing providers is an improvement to MA for patients living with multiple chronic conditions. In support of this policy, West Health is currently funding the

University of Michigan Center for Value-Based Insurance Design (V-BID Center) to study the impacts of V-BID on Medicare Advantage plans and beneficiaries. Specifically, the V-BID Center will analyze the impacts of V-BID on diabetes, congestive heart failure (CHF), and chronic obstructive pulmonary disease (COPD) for a designated Medicare Advantage beneficiary cohort.

The current research on V-BID builds upon the 2014 West Health funded a study with the V-BID Center which analyzed the effects of V-BID on High Deductible Health Plans (HDHP) in employer-sponsored plans. This study showed that cost sharing and benefit design can play an important role in ensuring access to and appropriate utilization of high-value care. In addition, this study demonstrated that reductions in beneficiary out-of-pocket expenses for high-value treatments and clinical services can mitigate adverse health and financial consequences.

Senator Thune (R-SD) and Senator Stabenow (D-MI) reintroduced legislation introduced last year, newly entitled, "Value-Based Insurance Design Seniors Copayment Reduction Act of 2015," (S. 1396) which would establish a Medicare Advantage demonstration allowing participating MA health plans to use V-BID to lower copayments and coinsurance in order to encourage the use of specific, evidence-based medications or clinical services as well as specific high-performing providers.

Representative Black (R-TN-6) and Representative Blumenauer (D-OR-3) also reintroduced the "V-BID for Better Care Act" (H.R. 2570) which would establish a three year Medicare Advantage demonstration allowing participating MA health plans to use V-BID to lower or eliminate copayments and/or coinsurance in order to encourage the use of specific, evidence-based medications or clinical services as well as specific high-performing providers. On June 17, 2015 the House of Representatives passed H.R. 2570.

Recommendation: Advancing S. 1396, which directs the Department of Health and Human Services (HHS) to establish a demonstration program to test Value-Based Insurance Design methodologies in Medicare Advantage plans under part C (Medicare+Choice) of title XVIII (Medicare) of the Social Security Act for beneficiaries with chronic clinical conditions.

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2. **Transformative policies that improve outcomes for patients living with chronic diseases either through modifications to the current Medicare Shared Savings ACO Program, piloted alternate payment models (APMS) currently underway at CMS, or by proposing new APM structures**
8. **Ways to more effectively utilize primary care providers and care coordination teams in order to meet the goal of maximizing health care outcomes for Medicare patients living with chronic conditions.**

Home-based Primary Care for the Frail Elderly

The frail elderly are some of Medicare's most complex patients. This group accounts for only five percent of the Medicare population, but drives almost 50 percent of its costs[1]. The frail elderly are patients suffering from multiple comorbidities and are largely homebound. As a result, they are often not able to receive care on a regular basis and their conditions may go untreated, becoming progressively worse. Eventually a trip to the emergency room and/or a hospital stay often results, and with continued exacerbation of their conditions, those trips can become more frequent. Rather than living out their life in the comfort and dignity of their home, many of these patients end up at the most expensive locations, including emergency departments and hospitals. This often results in more costly interventions and worse outcomes.

One alternative approach is home-based primary care where a mobile primary care team of providers visits these patients at home. Early in 2014, The Gary and Mary West Health Institute and MedStar Health, the largest not-for-profit health system in Washington, DC embarked on a unique relationship. As part of the collaboration agreement, MedStar served as the primary clinical research site for a variety of care delivery and payment reform models, leveraging its wide range of clinicians and experts to inform and implement the new initiatives.

The research involved in-depth review of MedStar's nationally recognized Medical House Call Practice (MHCP) model to identify the key levers that will catalyze the growth of home-based primary care for the frail elderly. The efforts specifically targeted an understanding of the factors that impact scaling, spreading, and sustaining such models of care and how barriers to such activity can be mitigated. MedStar's innovative care model has the potential to bring improved care at a lower cost to those who need it most. MHCP has been providing longitudinal and coordinated care to frail elders in the D.C. metropolitan area for the past 15 years. They proactively monitor and manage their patients' health, which helps prevent acute events, emergency department visits and hospitalizations. Most importantly, the care plans are tailored to each patient's unique needs.

The goal is to expand a home-based care program nationwide to bring comprehensive, high-quality care to seniors in their homes - - at costs far lower than care provided in hospitals that can transform the way healthcare is delivered. Together, West Health and MedStar are building a set of processes, tools and services that can help efficiently route this team of care providers in a cost- and outcome-optimal manner.

Based on our research, some options to be considered include the following:

- Reimburse travel time by pursuing a policy change that makes it possible for providers to charge a visit fee;
- Reduce number of physical visits through telehealth solutions that could help providers virtually see some of their patients; and,

[1] Effects of Home-Based Primary Care on Medicare Costs in High-Risk Elders – DeJonge et al – JAGS 2014

- Improve the quality of transit time for the provider by continuing to advocate for interoperable mobile electronic medical records solutions that allow for efficient, comprehensive documentation and coding while on the move.

A 17 percent reduction in costs was shown in a recent study[2] on the impact of this program on Medicare spending. It examined a cohort of 722 patients under the care of the medical house calls practice and compared them to a randomly chosen control group of patients. These results show that this model of care holds a lot of promise – both in terms of cost savings and in helping our seniors and frail elder's age at home, where they are the most comfortable.

Barriers to Home-Based Care

A significant barrier to scaling this model is providing adequate reimbursement to providers. In order to address this obstacle, a demonstration project called Independence at Home at the Centers for Medicare and Medicaid Innovation (CMMI) was developed. As part of the Mid-Atlantic Consortium, MedStar participates in this critical demonstration. On April 13, 2015, the Senate passed the Medicare Independence at Home Medical Practice Demonstration Improvement Act of 2015, which makes it possible to continue testing new approaches for treating chronically-ill Medicare beneficiaries by extending the program for two years. The bill still must be considered by the full House of Representatives, which may happen this month.

The Independence at Home program moves quality health care from emergency rooms to living rooms for our most vulnerable seniors. This pilot program extension will allow teams of doctors and nurses to continue to care for severely ill Medicare patients in the home, bringing the house calls of yesteryear into the 21st Century. This will help save money and increase the peace of mind of patients in their twilight years. As part of this innovation demonstration to fix the fragmented way chronically ill seniors receive care today, many medical centers are working to improve the health outcomes of thousands of seniors.

The Independence at Home Medicare Demonstration has proven to be successful in reducing costs among Medicare's highest cost chronically ill beneficiaries. One June 18, 2015 the Centers for Medicare and Medicaid Services (CMS) announced positive and promising results from the first performance year of the IAH demonstration. The CMS analysis found that IAH participants saved over $25 million in the demonstration's first year – an average of $3,070 per participating beneficiary – while delivering high quality patient care in the home.

Medicare beneficiaries who are participating in Independence at Home practices, on average:

- Have fewer hospital readmissions within 30 days;
- Have follow-up contact from their provider within 48 hours of a hospital admission, hospital discharge, or emergency department visit;

[2] Effects of Home-Based Primary Care on Medicare Costs in High-Risk Elders – DeJonge et al – JAGS 2014

- Have their medications identified by their provider within 48 hours of discharge from the hospital;
- Have their preferences documented by their provider; and
- Use inpatient hospital and emergency department services less for conditions such as diabetes, high blood pressure, asthma, pneumonia, or urinary tract infection.

Recommendation: Based on the above-cited benefits to beneficiaries and $25 million in recognized savings to the Medicare program (or more than $3000 savings per participating beneficiary), West Health supports an extension of the IAH Medicare Demonstration program (authorized by section 1866E of title XVII (Medicare) of the Social Security Act) and requests that the demonstration be made accessible to all Medicare beneficiaries with multiple chronic conditions. We also support conversion of the IAH Medicare Demonstration to a permanent Medicare benefit.

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5. Ideas to effectively use or improve the use of telehealth and remote monitoring technology;
8. Ways to more effectively utilize primary care providers and care coordination teams in order to meet the goal of maximizing health care outcomes for Medicare patients living with chronic conditions.

Enabling New Care Delivery Models Through Use of Real-Time Sharing of Meaningful Data

The real-time sharing of meaningful data, which includes Electronic Health Records (EHR) and medical devices, will play a key role in enabling successful new care delivery models like the Independence at Home program discussed above. As validated in the Blue Button program, the Administration recognizes the importance of access to data by giving Medicare beneficiaries and veterans the ability to use their health records to better coordinate their care. Expanding access to data beyond that which is currently available to patients to include the sharing of meaningful data, including data from medical devices, shared across providers, clinical settings and delivery systems will not only encourage better coordination of care and maximize health outcomes but will also help prevent patient errors, avoid duplicate tests and procedures and avoid delays in treatment.

The real-time sharing of data is a necessary element to link all points of care, facilitate seamless data flow, enable widespread, system-based learning, and could improve patient safety. Currently, medical interoperability is limited due to technical challenges of medical device and system integration, poor use of existing, effective standards, and proprietary information silos among medical devices and electronic health records.

Recommendation: In order to advance the goal of improving outcomes for Medicare patients with chronic conditions, the Finance Committee chronic care working group should leverage the work being done on *Innovations for Healthier Americans* by the Senate Health Education Labor and Pensions (HELP) Committee to implement policies which have been discussed in HELP Committee hearings on interoperability and sharing patient data so that the real-time sharing of meaningful data includes EHR and medical devices.

Improve Telemedicine Use in Medicare Advantage

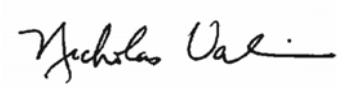
Medicare Advantage plans view expansion of the use of remote access technologies as crucial to expanding beneficiary access and value. Expanded use of telehealth improves beneficiary access to primary care, facilitates care coordination, and supports efforts to increase compliance with disease management programs. These activities also promote provider engagement and more effective and efficient use of resources to reduce costs to the Medicare program.

Because of CMS' restrictions, only a handful of MA plans offer telemedicine as a benefit. CMS' narrow and restrictive definition of telemedicine relegates most coverage of the technology to "supplemental benefits," which must be paid for with higher premiums or additional co-pays. In MA, plans submit bids based on estimates of costs to care for each Medicare enrollee using services in parts A and B. But few MA plans offer telemedicine coverage because they are told by CMS that they cannot account for its costs in their bids.

Recommendation: MA plans should be permitted to include a broader scope of telehealth services in the basic benefit package. The current limit has required MA plans to use supplemental benefits funded by rebates or premiums to offer expanded coverage of remote access technologies. This has increased premiums and/or limited the availability of other additional benefits or buy-downs of Medicare cost sharing. Permitting MA plans to broaden use of telehealth in delivering basic benefits is therefore more consistent with medical practice and should enhance value and reduce premiums for their enrollees.

Thank you again for the opportunity to provide comments on ways to improve outcomes for Medicare patients with chronic conditions. If you have any questions, please do not hesitate to contact Valerie Volpe, Vice President Government Affairs at vvolpe@westhealth.org or (202) 729-8575.

Sincerely,



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