



## Johns Hopkins Medicine Principles of Health Care Reform

A reformed health care system would:

- **Transform payment system from fee-for-service to accountable care that rewards quality and outcomes**
  - Accountable care payment models, including capitation, would incent coordination and integration of the clinical delivery system and shift core focus to overall health and not just episode of illness
  - Accountable care payment system must include risk adjustment for clinical acuity, cost of living, as well as social/environmental factors impacting health
  - Preserve fee-for-service to allow access to specialized services and care
- **Require everyone to have adequate health insurance**
  - Build on existing platforms to achieve balance and preserve choice, including expansion of Medicaid criteria (higher FPL threshold and newly eligible populations) for public option and use of private insurers for others
  - Phase-in universal coverage over time to mitigate impact of cost and care bubble
- **Invest in medical education**
  - Ensure adequate access to health care as universal coverage is achieved
  - Expand training slots for residents, with emphasis on primary care
  - Maintain GME/IME funding levels
  - Invest in alternative workforce education and training, including nursing and public health



Johns Hopkins Medicine (JHM) has provided improved quality and increased efficiency of care for unique populations across the continuum pursuant to global payment models:

- Department of Defense contract (US Family Health Plan) - JHM accepts global risk for approximately **30,000 military beneficiaries**, including dependents of active military as well as military retirees and their dependents. US Family Health Plan has exhibited: a member satisfaction rating of 82 percent --- **20 points above the national benchmark for all other health care plans** (98<sup>th</sup> percentile nationally); quality scores (HEDIS) consistently higher than the national average; decreased health care expenditures and improved quality of life especially for members with medically complex health conditions. For example, ***in our frail elderly population***:

- Reductions in hospital days (24%), skilled nursing facility days (37%), emergency department visits (15%), home health care episodes (29%).
- Our patients are twice as likely to rate the quality of their care highly, and
- Physicians of these patients report significantly higher levels of satisfaction with patient/family communication and knowledge of their chronically ill patients' clinical conditions

**30,000 DoD military beneficiaries:**

- ☑ 98<sup>th</sup> percentile patient satisfaction
- ☑ Higher than average quality scores
- ☑ Decreased healthcare expenditures
- ☑ Improved quality of life

- State of Maryland contract (Priority Partners Managed Care Organization) - JHM accepts global risk for approximately **159,000 Medicaid beneficiaries** with high clinical acuity and complex social characteristics. Through a network of owned and contracted providers located across the State, and using tools such as predictive modeling JHM has:

- In four years reduced the total costs of our End Stage Renal Disease patients by 47%; achieved above national benchmarks on all measures of clinical quality for our dialysis population
- Reduced the odds of hospital admissions for patients at the end of life
- Reduced per member per month expenditures for patients with a history of substance abuse and highly complex medical needs
- Achieved high member satisfaction reports as compared to other Medicaid populations across the State

**159,000 Maryland Medicaid beneficiaries:**

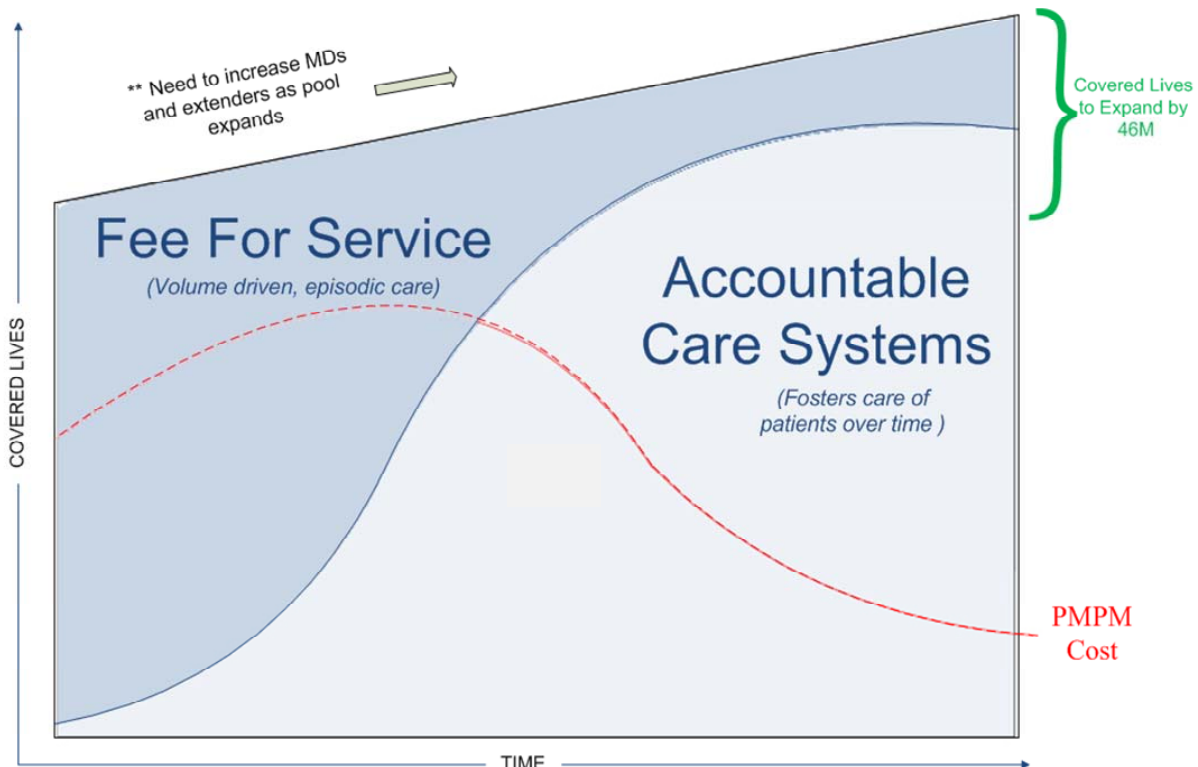
- ☑ More complex social and medical characteristics
- ☑ High patient satisfaction
- ☑ Reduced inpatient admissions
- ☑ Decreased healthcare expenditures

- As the largest private employer in the State of Maryland, Johns Hopkins accepts global risk for over **48,000 employees and their dependents**. Through this program, Johns Hopkins has experienced lower than national average health care trends and has achieved significant cost savings in its chronically ill patient population.



JHM's experience with global payment models is complemented by the breadth and scope of its delivery system as well as the expertise of its Schools of Medicine, Nursing, and Public Health. With 4 acute hospitals, a chronic care hospital, a nursing home, a home health company, and the largest community-based primary care group in the State, JHM provides all levels of tertiary, secondary, and primary care to a variety of populations in both urban and suburban settings. Further, JHM has a contracted network of over 14,000 affiliated providers. Our experiences in both delivering care and being at financial risk for care have convinced us that health care reform must support a transition from a volume, fee-for-service, episode-based system, to a population health, accountable care system that supports the longitudinal care of patients to reduce the burden of disease, optimize health, and improve quality of life.

### *Transitioning to Accountable Care Systems Results in Decreased Per Member Per Month Costs*





We propose a demonstration project, scalable to other populations, to allow expansion of our model to currently uninsured individuals and other populations in the Baltimore Metropolitan area. We would work collaboratively with communities, payers, governmental entities, public health departments, and advocates to create and implement a strategy to optimize the health of this population while reducing costs over time.

**Goals of a demonstration project:**

- Expand application of current model to new populations
- Increase coverage of uninsured and other populations in our community
  - Compatible with national health insurance exchange
- Address population-specific health needs, especially in complex settings
  - Application in urban, suburban, and rural areas
- Foster care of patient over time to reduce burden of disease
  - Connect currently fragmented delivery system
  - Reduce prevalence of chronic conditions in unique populations
  - Address public health issues and other societal problems
- Address shortages of clinical care workers
  - Support growth and development of primary care
  - Identify alternative, less expensive workforce options to address needs of increased population
  - Improve access to care
- Develop comparative effectiveness research
  - Transparency and best practices in support of Institute of Medicine recommendations
  - Application of Johns Hopkins' education and research capabilities to ensure innovation and scalability

**Johns Hopkins is a unique academic medical center to develop scalable demonstration projects of high-performance accountable care systems**

