HOW WILL MINORITY-SERVING HOSPITALS FARE UNDER THE ACA?

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Agenda for today's talk

- Why focus on providers that care for minorities and other underserved populations?
- Delivery system reform and ACA
- Likely impact on these providers
- Important caveats
- What can policymakers do?

Disparities in Health and Healthcare

- Healthcare disparities are pervasive, persistent
- Has significant effects on health
- Improving care for underserved populations should be a major priority
  - Has gotten inadequate attention under ACA

Concentration as lens for disparities

- Care for minority patients highly concentrated
- Small number of hospitals care for most minority patients
  - 5% of hospitals care for nearly half of all black patients
  - 25% of hospitals care for nearly 90%
- Care for Hispanics even more concentrated
- These "minority-serving" institutions have profound impact on the healthcare for minority patients
- How they will fare under ACA not clear

Jha et al, Arch Intern Med 2007, Jha et al, Health Affairs, 2009

Affordable Care Act

- Primary debate around insurance expansion
  - Broadens coverage for Medicaid
  - Private insurance exchanges for others not covered
  - Leaves 18M Americans out
- Major step forward in covering all Americans
- What about delivery system reform?

ACA: 5 Major Delivery System Changes

1. Value-based purchasing
   A. Process measures
   B. HCAHPS
   C. Likely mortality rates, PSIs
   D. Efficiency
2. Readmissions penalties
3. Bundled Payments
4. ACOs and PCMH
5. Health Information Technology (from ARRA)

ACA and Hospital Payments

- Major changes in payments to hospitals
  - Reductions in DSH
- Broad payment cuts in every budget proposal
  - "Painless" way to cut Medicare spending

How will MSHs do under ACA?

"Prediction is very hard, especially about the future" – Yogi Berra

How will MSHs do under ACA?

- Provisions mix rewards, penalties
- Provisions mix improvement & achievement
- Current performance not destiny, but……

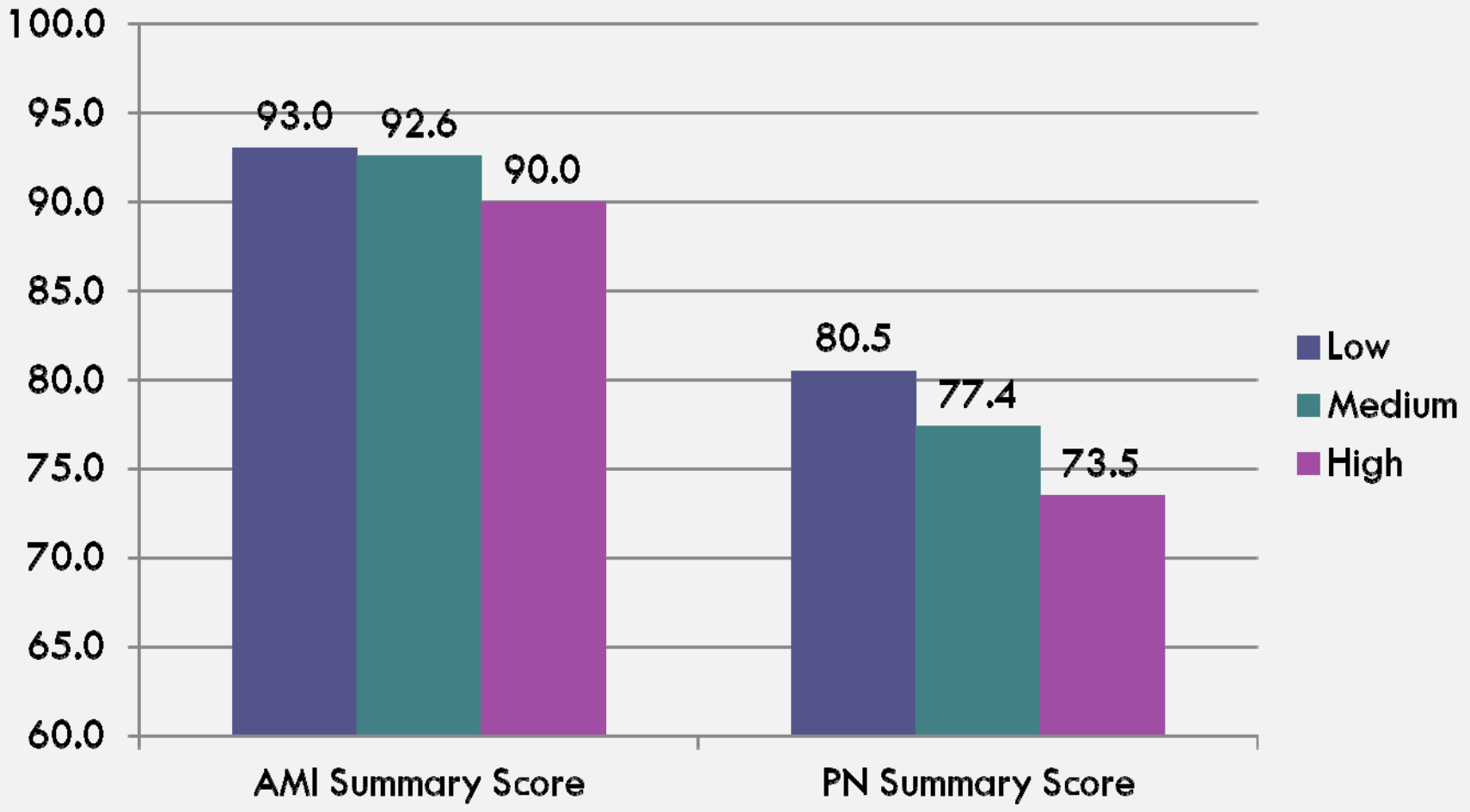
Value-based purchasing

- 1% holdback on Medicare hospital payments
  - Increases later to 2% and beyond
- Returned based on performance
  - Initially focuses on process measures, HCAHPS
  - Later will add other measures, possibly including PSIs, mortality, and efficiency metrics

Value-based purchasing

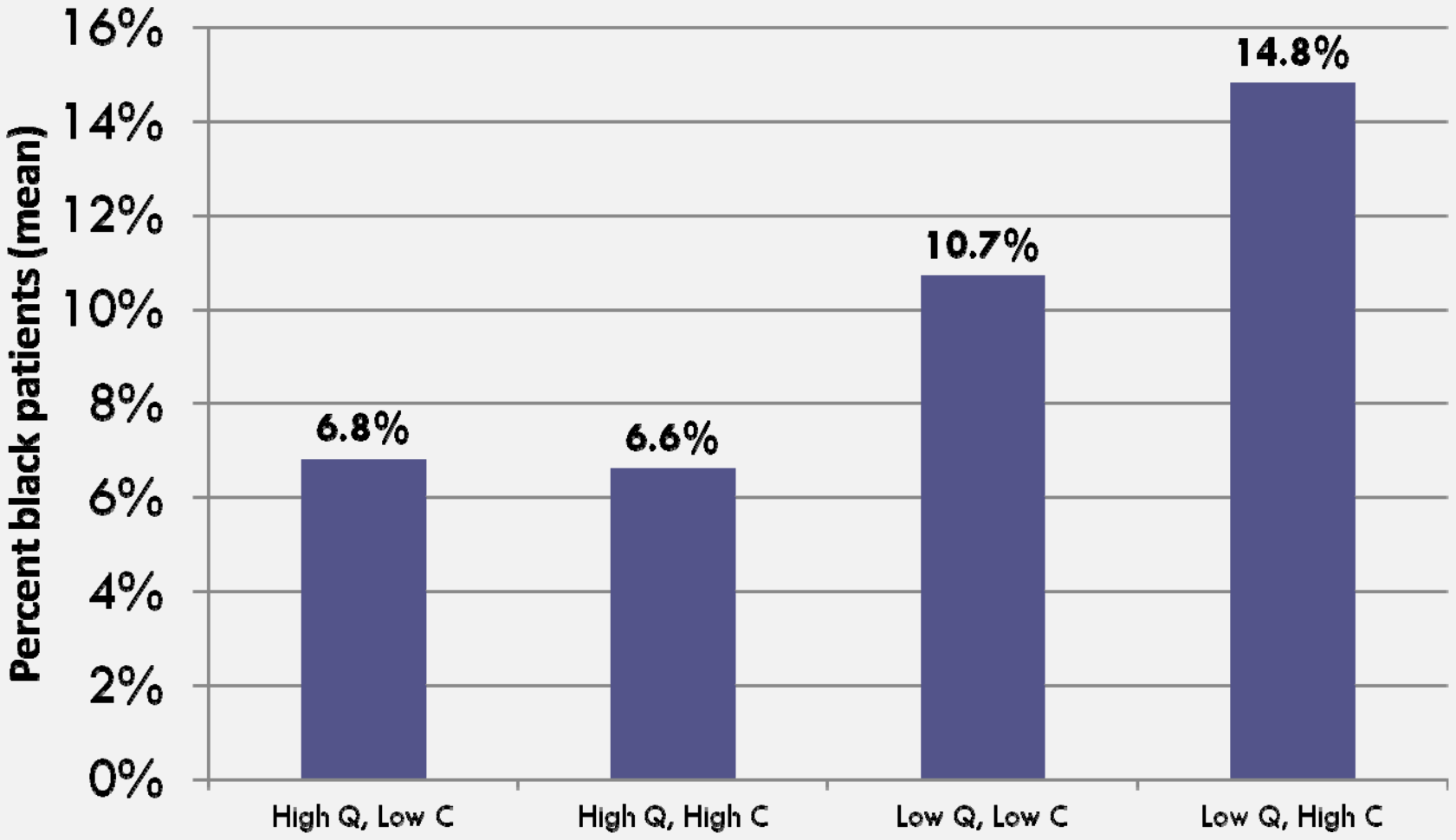
Process Quality Measures

Quality by proportion of black patients



Jha et al, Arch Intern Med 2007

Patient-Mix by Hospital Group: "Best" and "Worst"



Jha et al. Health Affairs, 2011

Value-based purchasing

Patient Experience: HCAHPS

Performance in Boston Hospitals

	HCAHPS*
New England Baptist	82%
Brigham and Women's	81%
Massachusetts General	79%
Newton-Wellesley	76%
Beth Israel Deaconess	73%
Boston Medical Center	62%
Cambridge Health Alliance	60%

*Percent of patients giving the hospital a 9 or 10 rating

Unpublished; 2010 Hospital Compare

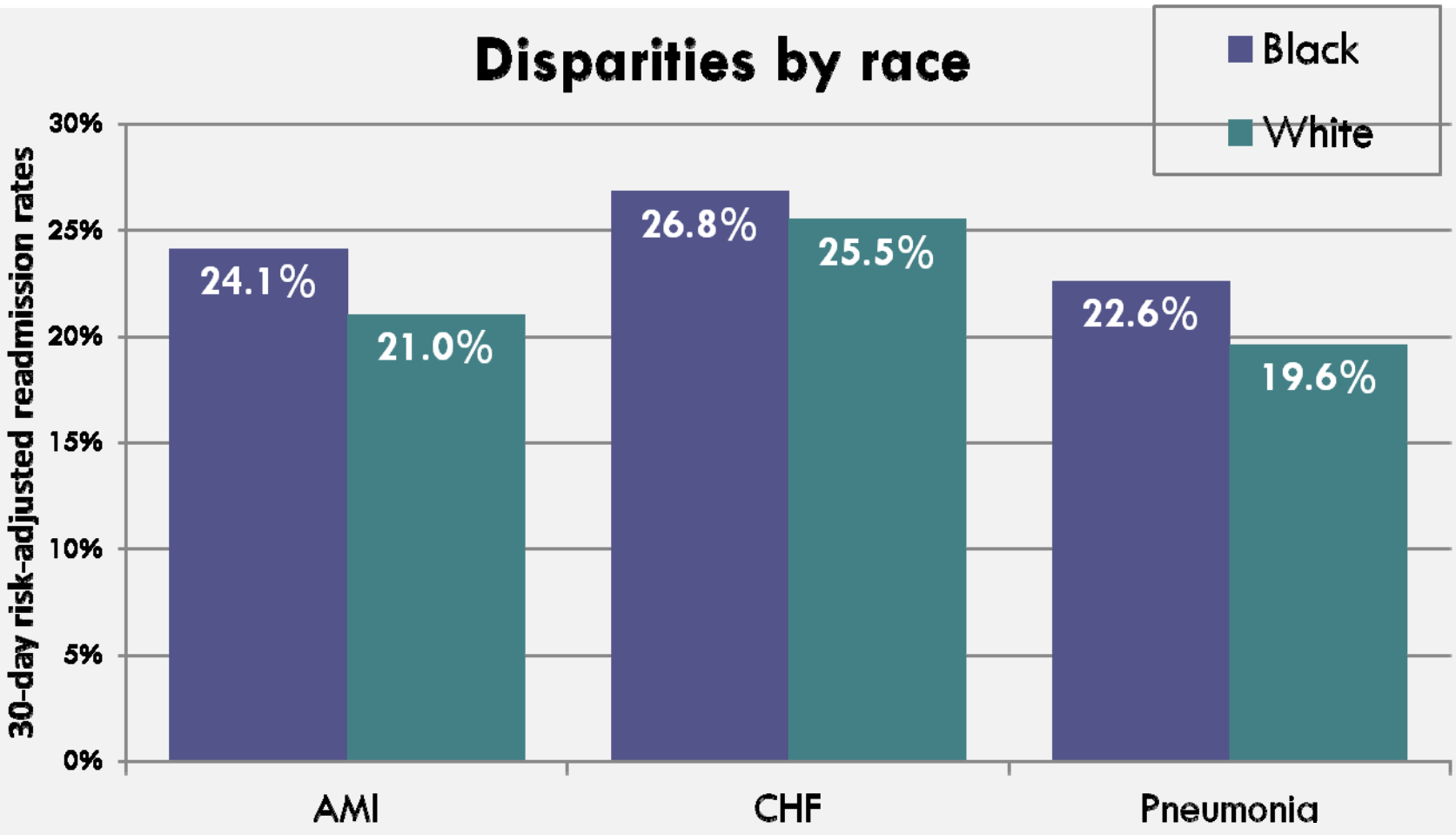
Summary on Value-based purchasing

- Hospitals that disproportionately care for minority or poor patients start off worse on:
  - HQA process measures
  - Efficiency/cost
  - HCAHPS patient experience

Readmissions

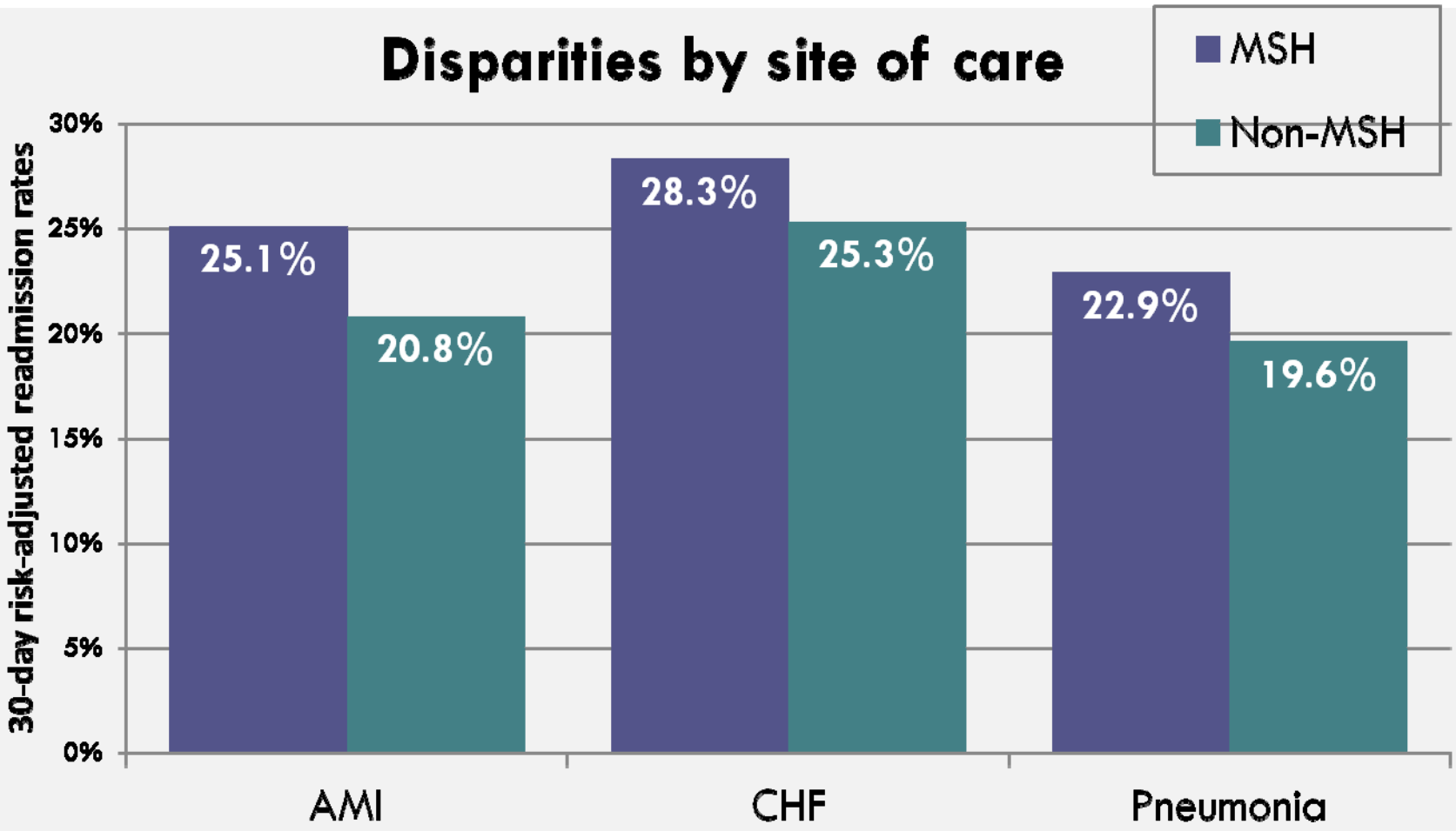
- Substantial penalties for hospitals that perform:
  - "Worse than expected"
  - 1-2% of total Medicare payments at risk
- Do we have guesses on who will do worse?

Readmissions: by race



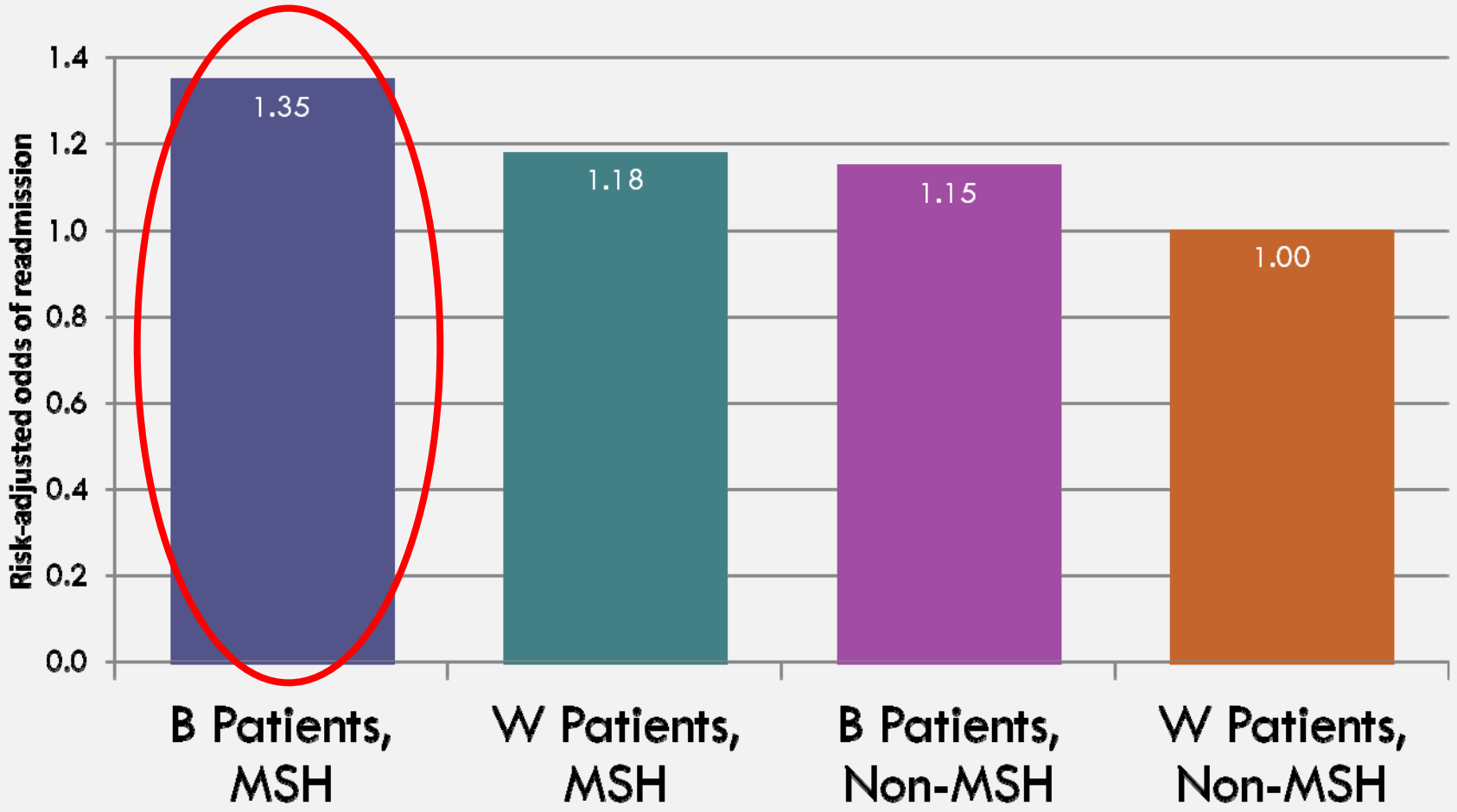
Joynt et al. JAMA 2011

Readmissions: by site of care



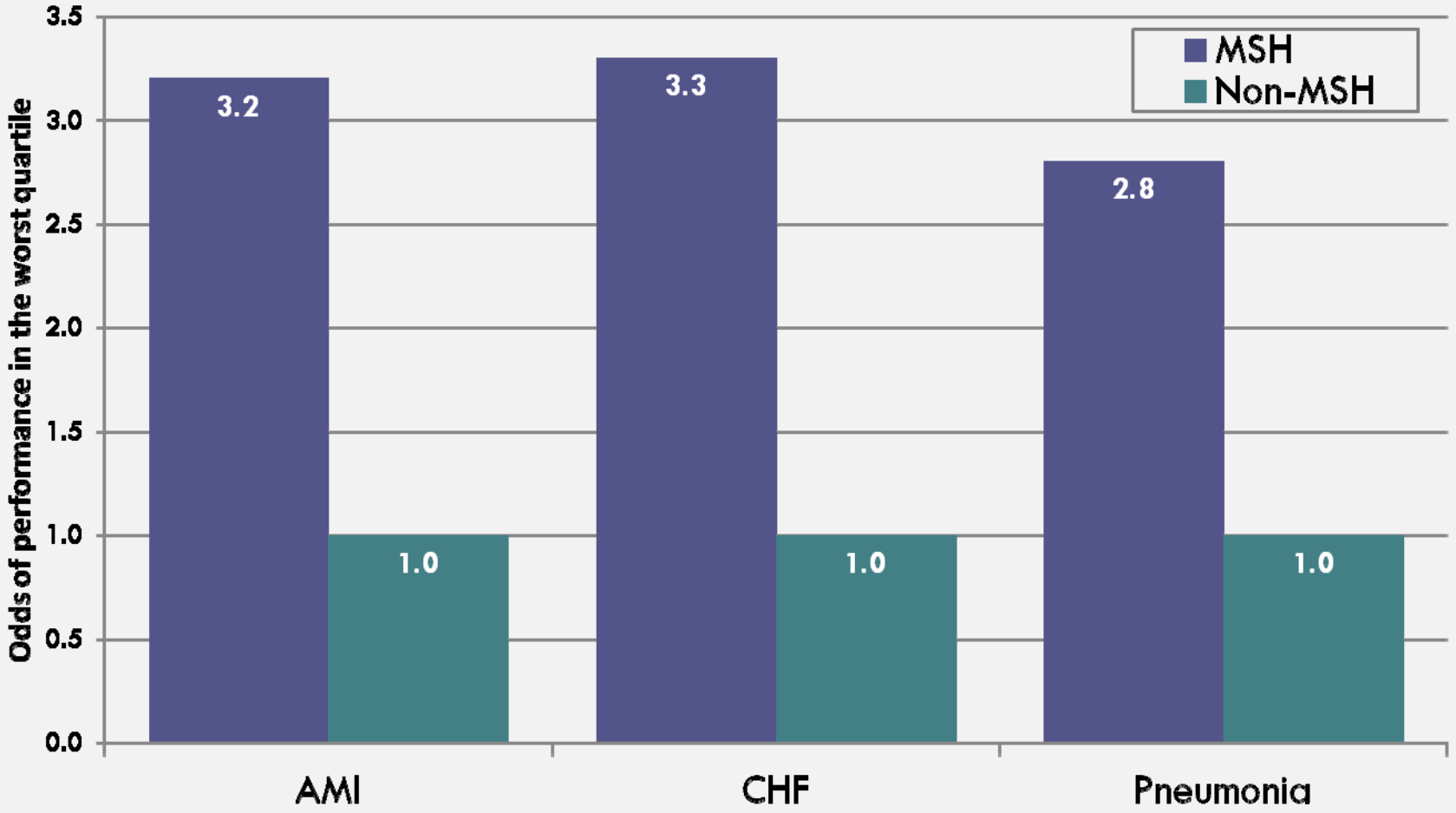
Joynt et al., JAMA 2011

Readmissions: Race and Site



Joynt et al. JAMA 2011

Penalties: who might get hit?



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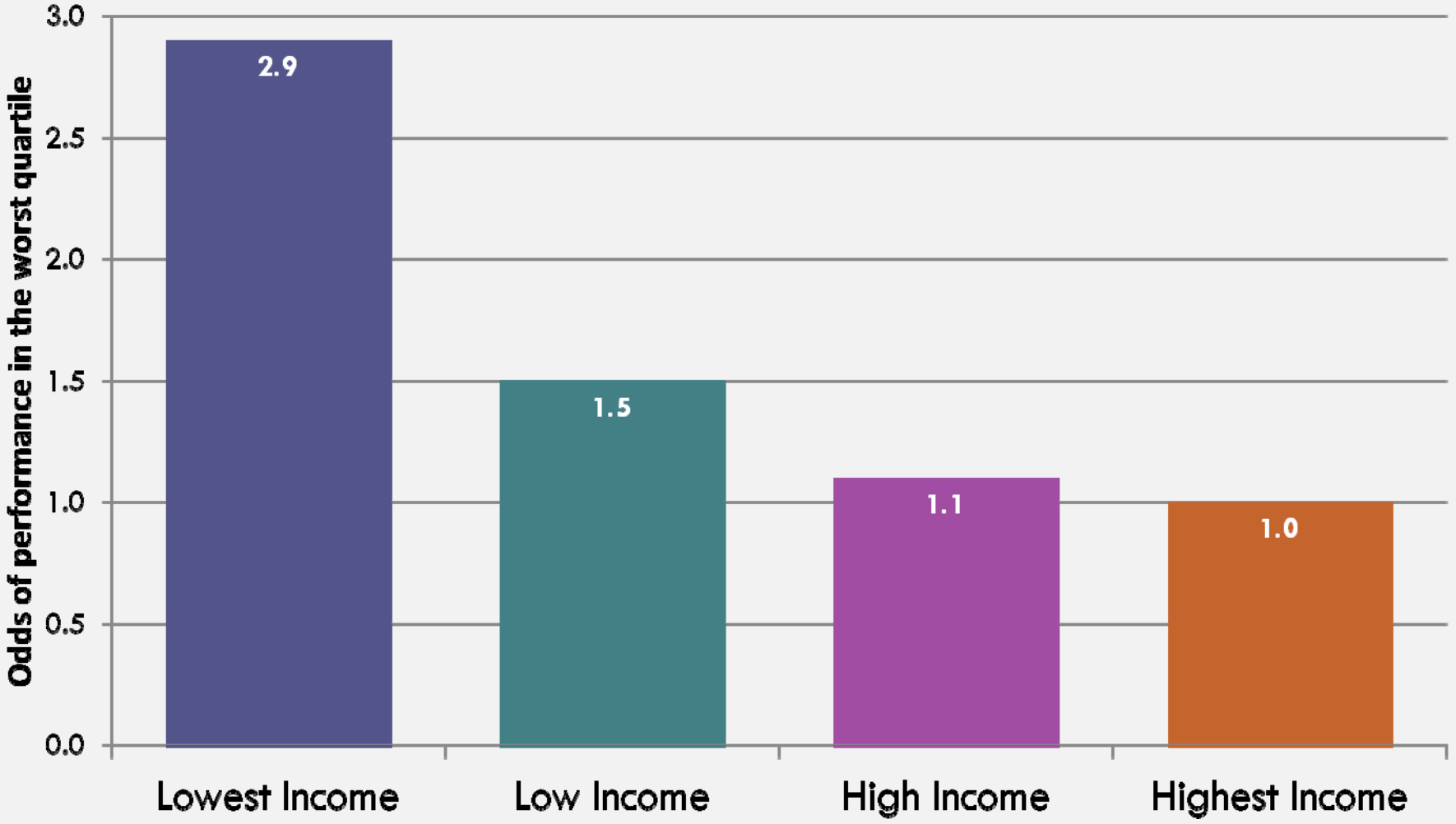


Joynt and Jha, Circ:QCOR 2011

Readmissions Summary

- Minority patients have higher readmission rates
- MSHs have higher rates for everyone
- Why might these be?
  - What really drives readmissions?
    - Patient and community factors
    - Role of hospital is likely smaller
- What will happen when the penalties kick in?
  - Hospitals with poorer, disadvantaged patients in trouble
  - They have much further to go

Bundled Payments, ACOs?

- Who will be successful in ACOs, bundled payments?
- Those who have:
  - Lower levels of fragmentation
  - Adequate access to "in-network" specialists
  - Can hit quality targets
  - Have robust health IT systems
- Little data on how MSHs will fare
- What we know
  - Care for minority patients much more fragmented
  - Higher baseline cost
  - Lower baseline quality

How about Health IT?

- HITECH sets aside $29 Billion in incentives
  - For providers who become “meaningful users” of EHRs
- Special provisions for high Medicaid providers
- Incentives (2011) and penalties (2015/2016)
- Meaningful Use requires
  - Certified EHR
  - Being able to meet a host of functionalities such as CPOE, decision support

Summary of what we know

- Hospital care for black, Hispanic patients concentrated
  - How these "minority-serving" hospitals fare under ACA will profoundly affect care for minority patients
- The starting points not very encouraging
  - Worse on HQA process measures
  - Worse on HCAHPS
  - Worse on Readmissions
  - Greater fragmentation of care around them
  - Worse on Health IT

What we don't know

- How will these hospitals respond?
  - They might improve across the board
  - Might struggle with multiple, competing demands
  - Test of leadership
- Likely to be a complex picture:
  - Improvements in some areas
    - HQA process measures
  - Harder in others
    - Health IT
    - HCAHPS
    - Reducing fragmentation
  - Very difficult in other areas
    - Readmissions

Where does this leave us?

- Prediction is hard….
- A thousand paper cuts
  - No single penalty, issue will sink these hospitals
  - The additive nature of reforms may be profound
- The payment changes may not be helpful
  - States eager to cut payments from uninsured pool
  - Medicaid payments low, may fall further
- ACA critical management challenge
  - Most important since prospective payments

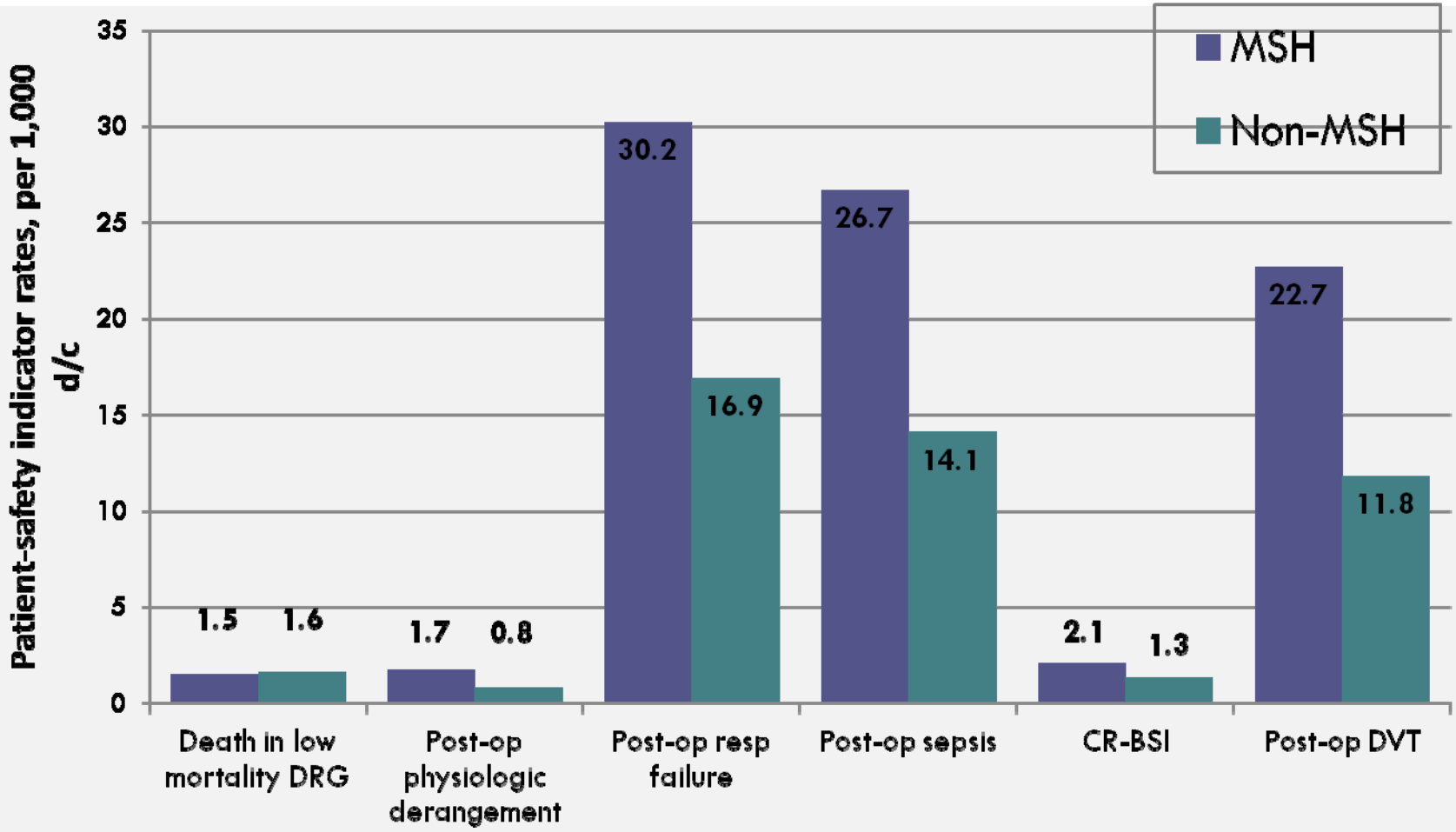
Way forward

- Essential to track outcomes for these providers
- New collaboratives that bring MSHs together
- Systematic approach to research
  - Learning what works among these providers
- Focusing on the highest priority items
  - Avoiding the kitchen sink
  - Holding everyone accountable for what really matters
  - Helping those providers willing to get better

The End

- Thank you for listening
- This set of work has been supported by:
  - CMWF
  - RWJF
  - Others
- Main Collaborators: Arnold Epstein, John Orav, Karen Joynt

PSI rates among MSH and non-MSH



Ly et al. Medical Care, 2010