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The Future of Medicare Payment Reform: Perspectives on MACRA with CMS's Andy Slavitt

Narrator:

You're listening to ReachMD, and this is Inside Medicare's New Payment System, produced in partnership with the American Medical Association. This podcast was produced before final regulations for the quality payment program created by the Medicare Access and CHIP Reauthorization Act (MACRA) were released. Visit the AMA website for the latest news and more details on Medicare's new quality payment program.

Dr. Birnholz:

Coming to you from the American Medical Association's House of Delegates Annual Meeting in Chicago, this is ReachMD. I'm Dr. Matt Birnholz. Today I have the pleasure of speaking with Andy Slavitt, Acting Administrator for the Centers for Medicare and Medicaid Services. In his leadership role at CMS, Mr. Slavitt oversees the programs providing healthcare access to 140 million Americans, including Medicaid, Medicare, the Children's Health Insurance Program, or CHIP, and the Health Insurance Marketplace. He joins me today to talk about the current state and next steps for the Medicare Access and CHIP Reauthorization Act, or MACRA.

Mr. Slavitt, welcome to the program.

Mr. Slavitt:

Thank you, Matt.

Dr. Birnholz:

It's good to have you with us. So, just to give our listeners an overview and a little bit of background, I just witnessed you giving a talk to hundreds, and that might be a bit of an understatement, delegates from the AMA. You were interrupted no fewer than 20 times with smatterings of applause, which is to say there was definite affirmation or resonance with a number of the subjects that you were talking about with regards to MACRA. The MACRA clearly came into existence because of trying to address a number of major frustrations that have come into being in the wake of Meaningful Use, a number of other aspects, the SGR, of course, and other things that have come along the line. Can you tell us, what were those major frustrations? What resonated with you?

Mr. Slavitt:

Yes. So, I think what I witnessed is a hunger to take a step forward and move past what I think have been things that have beset the healthcare system for a while. You know, I think progress tends to happen in spurts, and then there tend to be long periods of time where people grow frustrated and things get worse and worse, and I think what the physician community has experienced is a reality on the ground that feels very differently, different from all the big strategic policy talk, and so, I think that there are a number of opportunities here as we look at MACRA or what we're terming the Quality Payment Program. One is to really sharpen the ability for the system to support physicians in practicing the kind of care that they want to practice. And I say it that way as opposed to saying pay-for-performance or high-quality results, or so forth, because I think that's very difficult and maybe even an arrogant thing for kind of some third party in the system to judge. But I think done right there will be a number of options, whether you're a primary care physician, a specialist, in a rural community, an urban community, in a large group, in a small group, that based on your practice, that based on your population, that reinforces the kind of care you want to practice. A medical home is a good example. A bundled-payment is a good example. But those things I think have an opportunity to be organically adopted, and I think that's really the intent of the law, so that's first. Second, I would say, is that physicians I think today lack a sense of being able to control their own destiny because there are too

many things that happen to them, whether it's from the hospital, the insurance company, CMS or otherwise. So, we talked a little bit about aiming for more flexibility and allowing physicians to pick their own path. And then I think third, and finally, is figuring out how to make the world simpler because if nothing else, simplifying things will give physicians and patients back more time to spend with one another. And if we did nothing else, there would be a lot of benefit for that, as all of us who experience healthcare system well know.

Dr. Birnholz:

And I want to touch upon what is being called the user-driven policy approach that you're using. It sounds very intuitive, and yet counter-intuitively, it doesn't come across all that often in a number of health policy or overall policy initiatives. So, can you talk about this approach, in particular, and both the benefits and maybe any potential drawbacks you see in utilizing it?

Mr. Slavitt:

Sure. Well, as you say, it's a new way of thinking only to the extent that we don't think of policies the way we tend to think of things we produce in this country like products and goods and services, but any good company -- and I'm portraying a little bit of my private sector background -- will spend a lot of time with customers before they launch their new Smartphone or their new ride sharing service or whatever it is they do. And so, I don't say this to cheapen the policy process but to say that it needs to be grounded in the realities of the world, and too often you'll see... The way the policy process, I think, works traditionally is a law will come out of Congress and the policymakers, the administration, will have a pretty limited window upon which to take the law and put forward the appropriate regulations. And it's not often that you have the opportunity to say, “Hey, let’s take a timeout. Let’s make sure we completely understand and invest in what’s going on in the real world and connect ourselves closer to the real world.” And I think that’s gotten away from not just healthcare but in, probably, other policy domains. So it really just puts a label on a kind of new cultural way of thinking that I think is desperately needed. We all depend, I think, to a certain degree, so much on CMS, whether as a payer, as a regulator, and in the other dimension to get it right, and the way that we are going to get it most right is with a lot more interaction and a lot more outside-in approach.

Dr. Birnholz:

And that outside-in approach, it brings to mind one of the potential areas of challenge, which would be that it's clearly impossible to fulfill all interests from everyone given how the attitudes on best practices, they will differ at the granular level. So, given that, how will CMS gauge as the top barometers of success from both the national scope and from a practice-to-practice scope? What kind of barometers of success are going to be used?

Mr. Slavitt:

No, it's an excellent question, and I would tell you that it's hard to please your worst critic, but at the same time, that doesn't mean you shouldn't be listening to your worst critics. And I think when you really want to challenge yourself, those are the people that I think we've invited inside, and it's become kind of most powerful for us to hear, and to hear these challenges. I think the reality is you get addicted to -- when you get in the habit -- you can get really addicted to and connected to where, for us, the people that we are responsible for, which are the same people that physicians treat, are getting care and how they're getting that care. So, while you never get it perfect, I think you get it better and you measure and you try and you keep moving. I think we have... Ultimately, I think we are able to measure some things well, like we can measure cost of care, to a certain degree we can measure certain quality outcomes, we can ask patients if they're satisfied, but what we haven't done is we haven't really been as vigorously invested in what it's like to practice in medicine and what that element of care delivery in our equation is like and is all about. So, we're going to have to continue to find ways to do that. I think it's, quite frankly, a very exciting journey for the agency to be on, far more fulfilling I think for many of the staff than it is to simply put the product out and close yourself off, and that's very encouraging.

Dr. Birnholz:

If you're just tuning in, this is ReachMD on-site at the AMA's House of Delegates Annual Meeting in Chicago. I'm Dr. Matt Birnholz, and I'm speaking with Andy Slavitt, Acting Administrator for the Centers for Medicare and Medicaid Services. We're talking about current and future developments for MACRA.

So, Mr. Slavitt, there's a middle ground that needs to be reached here, because with this user-driven policy, you have two, at least two distinct user types. You have the patients and you have the clinicians, both of whom have different challenges to get to the same end goal, which is best quality of care. On the physician side, they're going to be complaining about adherence and compliance issues with their patients. On the patient side, they're going to feel like there's no anchoring, that they’re lost in a system that's very complex. How does CMS find that middle ground?

Mr. Slavitt:

Well, I think there are some things that are universal. Patients want more time with their doctors and their caregivers. They want the system to make more sense to them when they use it, so they want someone to be that quarterback when something happens to a family member that will help them navigate the system. And really what they want is, they want to go back to the way their life was before they got ill or before they got sick or that the chronic condition is managed and in sync, and they know that the person that they are going to trust the most to do that are the people that are providing them care. So, in many respects, it's not a lot more complicated than that. We can make it more complicated. We often make it more complicated. I think it seldom adds to the equation when we do. But the real focus and impetus on some of those basics are fundamental and important. And then we can start to focus on the other things, the bigger issues, how to connect the care system better, how to coordinate the care system better, all of which are important for people, but I think they have to come second.

Dr. Birnholz:

One quick question I want to ask involves specifically the AMA. How would you recommend that CMS and physician organizations such as the AMA collaborate through this transition in an ideal world, and do you see any sticking points that might challenge us getting there?

Mr. Slavitt:

So, I would say one of the most, probably most productive things that has happened since I've been at CMS has been how we've been able to work with the AMA and other societies, to be sure, on issues of real challenge. I think that began last year when physicians had a lot of concerns about the transition from ICD-9 to ICD-10, and there had been an ongoing push and pull. I think the idea of picking up the phone and talking about what are the issues and figuring out what the solutions are was, I think, was what it took to get us through, and at the end of the day, because of, I think, the partnership that we had with AMA, the results around the transition were far better than anybody predicted. I think that model is a model that we've continued to use here as we have been looking at MACRAs. Starting even before we were putting pen to paper, we had the teams listening to the concerns coming from the AMA on a weekly basis. So, the AMA does a nice job and isn't shy about what the interests and concerns of daily physician life is like. They have never been shy about it. I think they also know that not everything is possible, or possible all at once, so we tend to work on what short-term issues are and long-term issues.

And then, finally, I'd say that we also find it necessary to talk directly to the source. So, while I think one of the great opportunities is to hear what sort of the consensus is, there's no substitute for going and sitting in a community, in a physician's office, in a clinic at 5:00 watching the fluorescent light flicker and hearing the physician talk about their day and hearing their real concerns and doing that. And AMA and other societies has really helped our ability, they've enabled our ability to go talk directly to folks so that we can hear directly, and I think that makes lasting impressions on the staff.

Dr. Birnholz:

With that I do very much want to thank our guest, Andy Slavitt, Acting Administrator for CMS. We've been talking about current and future directions for the Medicare Access and CHIP Reauthorization Act, or MACRA. Thanks again for your time, Mr. Slavitt.

Mr. Slavitt:

Thank you, Matt.

Dr. Birnholz:

To access this interview and other related content, visit ReachMD.com or download the ReachMD app. I'm Dr. Matt Birnholz, as always, inviting you to be part of the knowledge.