

**CMS Congressional Testimony**  
Committee on Appropriations Subcommittee on Labor, Health and Human Services, Education and  
Related Agencies  
**Tuesday, March 5, 2013**

**Statement of**  
Dr. Patrick Conway  
Chief Medical Officer, Centers for Medicare & Medicaid Services  
Director, Center for Clinical Standards and Quality  
U.S. Department of Health and Human Services

Chairman Kingston, Ranking Member DeLauro, and members of the subcommittee, thank you for this opportunity to highlight the efforts of the Centers for Medicare & Medicaid Services (CMS) to strengthen public health. As Chief Medical Officer of CMS, a practicing physician, and a health services researcher, I am excited to be here to discuss public health and research. CMS plays a vital role in this area by providing health coverage for 100 million people through Medicare, Medicaid, and the Children's Health Insurance Program. And with health reform and the Health Insurance Marketplaces, we are continuing to improve health care and help ensure health coverage for all Americans. In addition to expanding health insurance coverage, the Affordable Care Act included important reforms to improve the quality of health care for Medicare beneficiaries and lower costs for taxpayers and patients. These reforms include incentives and tools to help providers avoid costly mistakes and readmissions to the hospital that could have been avoided, keep our beneficiaries healthy, and make sure Medicare and Medicaid payments reward excellent care and not simply pay for the services furnished regardless of their value.

While CMS primarily deals with the clinical health care delivery system, a recent Institute Of Medicine Report noted the importance of integrating the clinical delivery system with the public health system.<sup>1</sup> CMS recognizes this need and has multiple programs and activities to support this integration. Today, I will specifically discuss three areas: quality measurement and improvement, data to support research and public health, and new payment initiatives that will improve the quality of health care while lowering costs.

### **Quality Measurement and Improvement**

CMS funds numerous initiatives in all 50 states focused on improving quality and the health of all Americans. Quality Improvement Organizations (QIOs) are working with hospitals,

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<sup>1</sup> Institute of Medicine. *For the Public's Health: Investing in a Healthier Future*. April 10, 2010. <http://www.iom.edu/Reports/2012/For-the-Publics-Health-Investing-in-a-Healthier-Future.aspx>

physicians, and other providers across America to help manage and improve the health of all patients. Through large-scale learning networks, QIOs accelerate the pace of change and rapidly spread best practices. Improvement initiatives encourage innovation, respond to community needs, and lead the way to patient-centered care by including an active role for Medicare beneficiaries. Some of the QIOs' current initiatives include contributing to the goal of achieving significant reductions in healthcare acquired conditions; working with nursing homes to reduce pressure ulcers; reducing central-line bloodstream infections; and boosting population health by improving use of electronic health records for care management to increase preventive services like immunizations and cancer screenings.<sup>2</sup>

The QIOs are helping to improve health outcomes for persons with cardiovascular disease and disease prevention by increasing preventive health services and immunizations. The QIOs provide technical assistance focused on how Electronic Health Records can be used to improve health outcomes for the physician practice's population of patients. CMS includes population health as a dimension of quality consistent with the National Quality Strategy.<sup>3</sup> CMS is implementing quality measures related to population health and prevention across its quality and payment programs, from the Physician Quality Reporting System and the Hospital Value-Based Purchasing Program to the Medicare Shared Savings Program. These quality measures are expansive, but include such things as influenza and pneumonia vaccination, preventing hospitalizations for populations of patients, diabetes control, and smoking cessation. CMS has also included healthcare acquired infection measures in its quality reporting programs and programs

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<sup>2</sup> Details about each of these projects is available at <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/QualityImprovementOrgs/Current.html>

<sup>3</sup> 2012 Annual Progress Report to Congress on the National Strategy for Quality Improvement in Health Care. <http://www.ahrq.gov/workingforquality/>

linking quality to payment. Nationally, this work in collaboration with other stakeholders has led to a greater than 40% reduction of central line bloodstream infections.

### **Data to support Research and Public Health**

CMS is providing data to support health services research, reduction of healthcare disparities and improvement of public health across the nation. As a former health services researcher, I know the power of using CMS data to help answer clinical questions that benefit patients. CMS has launched an Office of Information Products and Data Analytics focused on data and information dissemination. This office provides data to health services researchers as well as public use files for easy download. CMS has implemented an Affordable Care Act initiative requiring the provision of Medicare claims data to qualified entities across the country for the evaluation of the performance of providers and suppliers. Currently six qualified entities have been certified to publicly report provider and supplier performance.

### **New Payment Models**

Medicare beneficiaries are already starting to enjoy better quality of care through more innovative care delivery systems designed to improve their health outcomes and reduce costs. For example, we are observing a decrease in the rate of patients returning to the hospital after being discharged. After fluctuating between 18.5 percent and 19.5 percent for the past five years, the 30-day all cause readmission rate dropped to 17.8 percent in the final quarter of 2012. This decrease is an early sign that our payment and delivery reforms are having an impact.

Growing numbers of physicians and other providers are participating in new payment initiatives that reward high quality and lower-cost care. In 2012, we debuted the first cohort of Medicare Accountable Care Organizations (ACOs), groups of providers working together to promote accountability for a patient population and redesigning care processes for high quality and efficient service delivery. To date, more than 250 Medicare ACOs are in operation, available in

almost every state. CMS estimates that these organizations serve about four million Medicare beneficiaries.

Congress created the Center for Medicare and Medicaid Innovation (Innovation Center) to test “innovative payment and service delivery models to reduce program expenditures...while preserving or enhancing the quality of care” provided to those individuals who receive Medicare, Medicaid, or Children’s Health Insurance Program (CHIP) benefits. The Innovation Center is focused on testing new payment and service delivery models, evaluating results and advancing best practices, and engaging a broad range of stakeholders to develop additional models for testing. Congress provided \$10 billion in direct funding for these purposes in fiscal years 2011 through 2019.

The Innovation Center’s mandate gives it flexibility within specified parameters to select and test the most promising innovative payment and service delivery models and expand those that prove successful at reducing program expenditures while preserving or enhancing quality of care. Some of the models being tested by the Innovation Center are intended to reduce unnecessary hospital admissions among residents of nursing homes; improve care coordination for beneficiaries with end-stage renal disease (ESRD); decrease premature births; and incentivize primary care providers to offer high-quality, coordinated care.

The Innovation Center has also partnered with the Centers for Disease Control and Prevention (CDC) to launch the Million Hearts Initiative, which is focused on preventing a million heart attacks and strokes over 5 years. Million Hearts has engaged partners across the nation, including providers, community-based organizations, private sector companies, patient groups, and others, to collaborate to prevent heart attacks and strokes. CMS is working to integrate the goals of the Million Hearts initiative in its quality improvement efforts.

While the work of the Innovation Center tests many payment and service delivery models, these initiatives are only a part of CMS' ongoing efforts to build a health care delivery system that will better serve all Americans.

### **Conclusion**

CMS is taking steps to help transform the delivery system to achieve the best possible health outcomes for all Americans. Increasingly, we are also partnering with our fellow federal agencies and external stakeholders to support improvement of public health and research. While CMS is an agency that primarily deals with the clinical delivery system, we understand that the integration of the clinical delivery system and public health infrastructure will allow our overall health system to be more effective and efficient and most importantly, improve the health of all Americans.