

## IMPLEMENTING HEALTH REFORM

## Closing the Doughnut Hole

One of the first provisions of the Patient Protection and Affordable Care Act to take effect is the \$250 rebate for Medicare beneficiaries who fall into the Part D doughnut hole. The first rebate checks were mailed on June 10. The rebates are the first step in a multiyear effort to trim drug costs for seniors and other Medicare beneficiaries.

Next year, patient cost sharing for brand-name drugs will be cut in half, and the doughnut hole will be closed completely by 2020.

Just as checks started hitting seniors' mailboxes, the administration launched a \$1 million radio ad campaign designed to help patients protect themselves from fraud, as criminals launch scams targeted at the new benefits.

Marilyn Tavenner, acting administrator at the Centers for Medicare and Medicaid Services, answered questions about how the new benefit will be implemented.

**CLINICAL ENDOCRINOLOGY NEWS:** How many Medicare beneficiaries will fall into the doughnut hole this year? Will

they all receive checks this summer?

**Ms. Tavenner:** About 8 million Medicare beneficiaries are expected to reach the prescription drug coverage gap that we call the doughnut hole this year. Of those, 4 million will be eligible to get a tax-free, one-time rebate check. The remaining beneficiaries already receive assistance through Medicare Extra Help.

**Physicians are on the front lines in helping seniors obtain medications that are successful and affordable.**

**MS. TAVENNER**

Beneficiaries who hit this coverage gap do not need to fill out any form, or make any phone call, to receive this benefit under the Affordable Care Act. The one-time \$250 rebate checks will be mailed automatically to seniors' homes from Medicare when they enter the doughnut hole. The first rebate checks were sent in June, and checks will be sent each month throughout this year as more beneficiaries enter the doughnut hole.

**CEN:** Will the \$250 rebate have a significant impact on patients' out-of-pocket drug costs this year?

**Ms. Tavenner:** The \$250 rebate is immediate relief that marks the first step in completely eliminating the doughnut hole. This year's rebate will help put

money back in the pockets of seniors who are too often forced to choose between paying for their groceries or for their medications. Next year, seniors who reach the coverage gap will get a 50% discount on brand-name drugs that will help reduce their costs. In addition, under the new law, the actual coverage gap will get smaller and smaller every year, until it completely disappears in 2020.

**CEN:** Physicians in all specialties spend a lot of time helping patients find affordable medications. How will these changes decrease the burden on doctors?

**Ms. Tavenner:** Physicians are on the front lines in helping seniors obtain medications that are not only successful in treating the patient, but are also affordable. By closing the coverage gap and making care more affordable, Medicare beneficiaries will be able to get the care they need and deserve.

And starting next year, patients with Medicare can get free preventive care services like colorectal cancer screening and mammograms. Medicare also will cover an annual physical, where they can work with their physician to develop a personal prevention plan based on current health needs.

**CEN:** How can physicians help their pa-

tients take advantage of this new benefit?

**Ms. Tavenner:** Doctors can continue to help their patients by educating them about the Affordable Care Act so they can take full advantage of its new benefits. If patients have questions on their rebate checks, they can call 1-800-Medicare or visit [www.medicare.gov](http://www.medicare.gov). And to receive updates on the health reform law as it is implemented, they can visit [www.healthreform.gov](http://www.healthreform.gov).

One important note: Along with the additional benefits provided by the Affordable Care Act come increased threats of fraud. That's precisely why we're working with the Department of Justice to crack down on scam artists who are trying to procure personal information from Medicare beneficiaries by promising them rebate checks and other benefits under the law.

Patients should never give their Medicare ID number to anyone promising benefits or discounts under the new law. For fraud-fighting tips, please visit [www.stopmedicarefraud.gov](http://www.stopmedicarefraud.gov). ■

*Ms. TAVENNER is acting administrator for the Centers for Medicare and Medicaid Services, which administers the Part D Medicare benefit and will be responsible for implementing many elements of the new health reform law. She previously served as secretary of health and human resources for Virginia.*

## Health Systems Alliance Aims for Quality, Cost-Effective Care

BY ALICIA AULT

**WASHINGTON** — A group of 19 health systems is taking the first steps toward becoming accountable care organizations, joining together to share best practices, coordinate care, and improve quality.

The health systems are all members of Premier Inc., a nonprofit health purchasing and quality improvement

alliance. Premier will provide the expertise and databases necessary for the systems to build the accountable care organizations (ACOs).

According to Premier, members of the ACO Implementation Collaborative may be ready in 2012 to start contracting with the Centers for Medicare and Medicaid Services under the shared savings program mandated under the health reform law (Affordable Care Act).

ACOs have been envisioned as the backbone of the new health care system, but they were not clearly defined in the law President Obama signed in March.

At a Capitol Hill briefing, Sen. Max Baucus (D-Mont.), and Rep. Earl Pomeroy (D-N.D.) and Rep. Charles Boustany (R-La.) praised the Premier effort, saying that it would help speed up transformation of the health care system into one that values quality over quantity.

Sen. Baucus said that the ACOs in the Premier alliance "put the new and innovative ideas in the health care reform law into practice to improve health care quality while reducing inefficient and wasteful spending."

Rep. Boustany, who is a cardiovascular surgeon, said that the reform law did not go far enough to align incentives among health providers or to foster care coordination.

The Premier alliance will address some of these issues, he said, but it still is not clear if the ACO model can work in rural areas where there may be great distances between facilities and disparate missions from urban or suburban counterparts.

According to Premier president and CEO Susan S. DeVore, all members of the ACO collaborative will

build the "critical components of accountable care," including a patient-centered foundation; medical homes that deliver primary care and wellness; incentives to reward coordination, efficiency, and productivity; tight integration among specialists, ancillary providers and hospitals; reimbursement models that reward value over volume; and health information technology systems that can be used to coordinate care across networks.

The 19 systems already have some of these elements in place and can pursue accountability for a portion of their population, according to Premier. These hospitals and health systems have been participating in Premier's QUEST: High-Performing Hospitals collaborative. QUEST is a 3-year information and quality improvement sharing initiative involving 200 hospitals in 31 states. In the first year, hospitals reduced the cost of care by an average \$343 per patient. The facilities delivered care according to evidence-based quality measures 86% of the time, according to Premier.

The ACO Implementation Collaborative aims to build on that success.

The first step is to define value. According to Premier, the agreed-upon definition so far is to optimize patient outcomes, the patient care experience, and the total cost of care.

Dr. Nicholas Wolter, the CEO of the Billings Clinic, which is part of the ACO collaborative, said although ACOs may seem to be a fad, much as managed care was in the early 1990s, more is known now about patient safety and delivering high-quality care. "In the ACO, patients are partners working with their care team to manage and improve their health. This is the real goal of health reform—the highest quality care at a more cost-effective price for patients and taxpayers." ■

## Members of the Premier ACO to Date

**Aria Health**, Philadelphia

**AtlantiCare**, Egg Harbor Township, N.J.

**Baystate Health**, Springfield, Mass.

**Billings Clinic**, Mont.

**Bon Secours Health System Inc.**, Greenville, S.C. and Richmond, Va.

**CaroMont Health**, Gastonia, N.C.

**Fairview Health Services**, Minneapolis

**Geisinger Health System**, Danville, Pa.

**Heartland Health**, St. Joseph, Mo.

**Methodist Medical Center of Illinois**, Peoria

**North Shore-LIJ Health System**, Long Island, N.Y.

**Presbyterian Healthcare Services**, Albuquerque, N.M.

**Saint Francis Health System**, Tulsa, Okla.

**Southcoast Hospitals Group**, Fall River, Mass.

**SSM Health Care**, St. Louis, Mo.

**Summa Health System**, Akron, Ohio

**Texas Health Resources**, Arlington, Tex.

**University Hospitals**, Cleveland