Ways and Means Committee Health Subcommittee
Hearing on Innovation in Health Care
April 26, 2018

On April 26th, the House Ways and Means Committee, Subcommittee on Health held a hearing on Innovation in Health Care.

For a webcast of the hearing, a copy of the hearing advisory and witness testimonies, see here.

Witnesses that testified at the hearing included:

- **Matthew S. Philip**, M.D., Physician, Breakthrough Care Center, DuPage Medical Group
- **Paul F. Merrick, M.D**., President, DuPage Medical Group
- **Oliver Kharraz**, M.D., Chief Executive Officer & Founder, Zocdoc
- **Becki Hafner-Fogarty**, M.D., Senior Vice President, Policy and Strategy, Zipnosis, Inc.
- **Dan Paoletti**, Chief Executive Officer, The Ohio Health Information Partnership
- **Sean Cavanaugh**, Chief Administrative Officer, Aledade

The hearing discussed how innovations being pioneered by the witnesses are disrupting the status-quo and how Congress can help expand upon these advancements. Witnesses and Subcommittee members focused on how they can help both improve and modernize the Medicare program and in turn increase its sustainability. For Chairman Peter Roskam's (R-IL) opening statement, see here.

Subcommittee Ranking Member Sandy Levin (D-MI) discussed how the Affordable Care Act (ACA) was a step forward in how we deliver health care, which moved toward a system that emphasizes value based care, facilitated hundreds of Accountable Care Organizations (ACOs) which have served as the backbone of payment reforms, and established Center for Medicare & Medicaid Innovation (CMMI) which provided tools to test delivery system reforms and new ways to pay for care.

A summary of some of the key topics covered during the hearing follows:

Post-Acute Care and Long-Term Care
Rep. Ron Kind (D-WI) said he noticed in Sean Cavanaugh's testimony that his organization was achieving tremendous changes in the post-acute care setting, and that he and Chairman Kevin Brady (R-TX) have been delving into this world, and it is one of the areas ACA did not do a very good job of reforming. He asked Cavanaugh to confirm the model he is using right now is reducing post-acute care usage by 22% and asked him for take-aways the Committee should be aware of. Cavanaugh said this was a data-driven effort, and when you look at Medicare spending and how it varies, a significant part of the variation is around post-acute care, so they knew that was an opportunity and also an opportunity to deliver better care because the patient would rather be at home with the right supports. He said this in-home care is sometimes in partnership with skilled nursing facilities, and telling them we're not going to send you patients that don't need to be there and making sure the focus on the patient.

Rep. Adrian Smith (R-NE) said one area of Medicare in need of innovation is long term care, and while Medicaid is the primary payer on nursing home stays, Medicare is the primary payer on the large health care costs of this population such as the tremendous cost of trips to the emergency room from skilled nursing facilities– and that on average 19% of hospital transfers originate from skilled nursing facilities and 1/5 are readmitted to the acute hospital within 30 days. Rep. Smith said studies show the promise of telehealth to cut down on ER trips, allowing patients to be treated in their home.

Rep. Smith asked about the promise of this technology in long-term care. Dr. Hafner-Fogarty said telehealth is critically important in rural areas and home care is important because of the distance of some small long-term care facilities or clinics. She said one of the problems they encounter is the ability of the care providers to get reimbursed and as we transition to a value based care environment, this will become less of a problem because there will be less of a need for a per -transaction charge. She said another important aspect in telehealth is the ability to integrate those telehealth visits into the electronic

health record and that many telehealth companies do not do this and it needs to become part of the continuum of care.

Health Consolidation
Responding to a question from Rep. Levin if he received federal funding, Paoletti answered that the Ohio Health Information Partnership received $14 million in grant funds through the Health Information Technology for Economic and Clinical Health (HITECH) Act. Levin also asked Dr. Merrick if his organization was an ACO, and if it was working well. Dr. Merrick responded yes, that ACA helped a fragmented health care industry become more like a team sport and moved toward transparency, which is positive. He said an unintended consequence of ACA is that the independent physician is becoming more extinct because of the pressures of consolidation.

Reducing Cost
Rep. Vern Buchanan (R-FL) discussed the high costs of health care and increasing costs of Medicare Advantage (MA) and asked Dr. Philip what he is doing to bend the cost curve. Philip answered that high costs are often focused on a small number of patients and if you can invest in those vulnerable patients with a holistic approach you can see huge cost savings.

Dr. Merrick also noted significant cost savings can be achieved by performing certain surgeries in outpatient settings.

Rep. Higgins (D-NY) said a big mistake in ACA was not including a public option. He noted the low administrative cost for Medicare and suggested a buy-in for Medicare for those ages 50-65.

Telehealth/Electronic Health Records (EHRs)/Patient Data
Rep. Kind asked Becki Hafner-Fogarty if she recommends a national standard or model regarding telehealth. Hafner-Fogarty answered that states think they should each have their own unique standards, but if there was a uniform definition of telehealth that could be applied in a regulatory way it would get everyone to speak the same language and would be a benefit from a policy standpoint.

Cavanaugh reiterated to Rep. Smith that reimbursement is a barrier to utilizing telehealth. He also noted that restrictions on telemedicine were implemented for fear it would not be used wisely, but if more providers used two-sided risk models, with an incentive not to overspend and use appropriately, those rules could be loosened.

Paoletti added that remote monitoring in coordination with telehealth and other technology is critically important.

Rep. Kind asked about data blocking and why it is so difficult to overcome. Cavanaugh answered that while at CMS they created a code called transitional care management for physicians to use after a patient was discharged from the hospital to do a follow up visit with their primary care doctor, because evidence shows that this reduces re-admissions. They then asked doctors why they were not routinely using this code and they said because they were not aware their patient was discharged. Cavanaugh said with health information exchanges this is now possible part of what Aledade does is make sure practices know if a patient is out of the hospital. He said sometimes this information is not available and hospitals will not let them access this data because they see that data as a competitive advantage and will not share it despite it being better for the patient.

Rep. Kenny Marchant (R-TX) mentioned Baylor Scott and White, a hospital system in his district, and asked Hafner-Fogarty to explain her relationship with them and how they work together. Hafner-Fogarty said Zipnosis created a site in the hospital patient portal on e-visits, where the patient is guided through an interview and at the end of the electronic interview the patient is referred to a Baylor Scott and White physician. If a prescription is written, you can choose a convenient pharmacy to pick it up and a record of that e-visit is then deposited in your EHR. She added that this system is a proactive program and is a lower cost option to an emergency room visit.

Addiction and Mental Health Services/E-Prescribing
Rep. Lynn Jenkins (R-KS) asked Paoletti discuss his testimony regarding mental health and substance use disorders (MH/SUDs). She noted she has sponsored legislation (HR 3331) that would promote testing of incentive payments for behavioral health providers for adoption and use of certified electronic health record technology and asked him to discuss. Paoletti said this is an area critically important to address and improving the care coordination for MH/SUD and sometimes MH/SUD providers don't have the technology to implement this coordination and assistance for these providers would be important. He also stressed that even if they did have the technology, rules around 42 CFR part 2 would make it difficult to coordinate this care, and there is a bill pending, H.R. 3545, that would allow a patient to consent to sharing this information which would address that problem.

Rep. Lynn Jenkins (R-KS) asked if e-prescribing would help address the opioid epidemic and enhance the quality of medication assisted treatment. Paoletti said yes, e-prescribing is critical and in Ohio is often utilized along with PDMPs which are mandatory, and they have seen a decrease in schedule II prescriptions.