**Dr. Donald Berwick, MD**
**Administrator – Centers for Medicare and Medicaid**
**The Kaiser Family Foundation**
**October 12, 2010**

## Acknowledgements

- Thank you Diane [Diane Rowland , Executive Vice President of the Kaiser Family Foundation] for that kind introduction.

- And thank you for your unending commitment to good health care policy, to improving Medicare and Medicaid, and to providing essential services to low-income and disadvantaged Americans.

- I've watched over the years as Diane has done amazing work as both executive director of the Kaiser Family Foundation, and as the executive director of the Kaiser Commission on Medicaid and the Uninsured – as well as in many other prominent leadership and academic positions.

- Thank you to the Kaiser Family Foundation – and to your President and CEO – Drew Altman – for giving me this opportunity to meet with such a widely respected group of health policy experts.

- Your Foundation is a leader in health policy and communications in the United States – and worldwide.

- Your Foundation is a trusted and reliable source on all the major health care issues Americans face today.

- Your Foundation has great public influence through your research and communication programs, and through your outreach efforts with other non-profit research groups and with the media.

- I know – for a fact – that in addition to all our own CMS research – folks in our offices also rely on your policy research, your facts, your figures, and your work as a clearinghouse and as a campaign leader to improve health care in America today.

- I believe all of us in this room share the same conviction: If there is one thing this nation's future depends upon above all else – it is the health of American families.

## Opening

- I'll start where I will end: We want to help you. And we need your help. Our nation needs your help.

- I took this job, to lead CMS at this time, because I want to make the care in America as good as we have every right to expect it should be. I see in CMS, and in the new Affordable Care Act, we now have in our hands, a chance to do that.

- CMS is a large organization, full of dedicated, capable staff, and with a superb leadership group. It is a very busy place. My mental model is coming to view CMS as carrying out three important assignments at once:

- Running a large, effective health care insurance system – with $850 billion per year of payments, hundreds of contracts, and millions of relationships. The staff is superb – dedicated, expert, and hard-working.

- Implementing the new Affordable Care Act. This task is also formidable. And…CMS has hit every major deadline. I am in awe.

- We have an important third job, as well – and it's personal, because it's so much the job I came here to do. It's my main focus: helping to change health care in America to realize its full potential. And that's what I'm going to talk most about with you this morning.

**Affordable Care Act**

- With the Affordable Care Act in place, now, more than ever, that vision – to help change health care in America to realize its full potential -- is attainable. But, to attain it, we will have to change.

- You don't get this level of improvement simply by trying harder the old way. You get it by finding a new way.

- I think it was Albert Einstein who said, "Insanity is doing the same thing over and over again, and expecting different results."

- Or, as we say in the world of quality improvement, "Every system is perfectly designed to achieve exactly the results it gets." If we want new results – and we do – we need a new system. All improvement is change.

- And so that brings me back to the question that the Affordable Care Act poses: "Will we change?" "Will we improve health care in America?"

- That question will be answered – But, not by government, alone.

- The job of changing care – for the benefit of our people and our society – belongs properly, first and foremost, to those of us who give care – professionals, health care organizations – encouraged and supported by those who arrange for them to give care – insurers, employers, and communities.

**The Triple Aim**

- What should that improvement accomplish? I have written about, and I recommend, a set of goals that I call, "The Triple Aim."

    - better care for individuals – as described by all six dimensions of quality in the Institute of Medicine report: safety, effectiveness, patient-centeredness, timeliness, efficiency, and equity;

    - better health for populations with respect to the upstream causes of so much of our ill health – like poor nutrition, physical inactivity, substance abuse and unwise behavioral choices, violence, and economic disparities; and

  - reducing *per capita* costs by eliminating waste and needless hassles… and, hear me clearly, specifically *not* by withholding from us or our neighbors any care that helps them – specifically *not* by harming a hair on any patient's head.

- I invite you, as stakeholders in health care, to rally around the Triple Aim, and to begin, together, to make the changes that allow for it.

## Moving Towards the Triple Aim

- I intend to guide CMS toward the Triple Aim as our highest-level goal – better care, better health, and better costs – for every person in every community in this country. I intend to focus our energies, as much as I can, on those three levels of excellence: excellence in care, excellence in integration, and excellence in prevention at the community level.

- What we in CMS can do, and what, on my watch, we will do, is to make it more and more feasible for stakeholders of good intent – especially when they act together – to join us and to find and adopt their own, best approaches to the Triple Aim.

- For our part at CMS, we see our job as providing a framework that will help providers deliver the best care for every patient every time.

- We will provide the pillars that support an authentic effort to build this new health care system.

- Our goal is to be flexible while staying within the regulatory and statutory lines.

## Integrated Care

- We need to help integrated care thrive in America. We need to make it possible for entirely new levels to emerge of seamlessness, coordination, and cooperation among the people and the entities that provide health care, so as to smooth the journeys of patients and families – especially those coping with chronic illness – through their care over time and place.

- What we know from decades of research is that, at the heart of capability to deliver better care, better health, and lower cost, is one core design concept: the "integration" of care.

- You already know – indeed, I will wager that you know from personal experience – what "dis-integrated" care looks like. It is disorganized care. It is care in fragments.

- You have to tell your name and address and story again and again to everyone you see. No one seems to talk to each other. Your record is forgotten or unavailable. One doctor prescribes a medicine that conflicts with a medicine another doctor prescribed. You wait endlessly on hold, and you can't get the answer to your question. It's all in fragments. And you and your loved ones are holding the bag.
- Integrated care offers people journeys, not fragments.

## PACE – A Success Story (Optional)

- Now, let me give an example of how integrated care can work – and work well.

- In August, when I visited our regional office in Philadelphia, the highlight of my trip was a visit to Mercy LIFE – a Program of All-Inclusive Care for the Elderly (PACE) -- and provides care to more than 300 participants.

- When I met with CMS staff who worked with PACE sites, their commitment to the program was clear. After visiting Mercy LIFE, I could see why they care so much.

- The PACE model – whose roots are in the "On Lok" program that began in San Francisco in the early 1970's – is centered around the belief that seniors with chronic care needs and their families thrive more when they are served in their own communities whenever possible.

- PACE sites provide a comprehensive set of social and medical services primarily in an adult day health center, supplemented by in-home and referral services, as needed.

- While participants are eligible for nursing home care, most PACE participants instead are able to reside safely in the community. The PACE model prides itself on putting participants at the center of care and working with an interdisciplinary team to meet their needs.

- PACE calls the people it helps "participants" rather than "patients." They want individuals to be active participants in their care, not just passive patients. They want to help people stay at home, where they want to be – not in hospitals or nursing homes.

- While there – Dr. David Mingle, a physician at Mercy LIFE, introduced me to a man I will call "George," who had been hospitalized and readmitted five times in the prior year for complications related to his multiple chronic conditions.

- Dr. Mingle mentioned that no one was coordinating George's care until he joined Mercy LIFE. Since then, George has undergone a comprehensive assessment by an interdisciplinary team that has worked to integrate and coordinate his care, and he has not needed to go back into the hospital – not even once.

- PACE and Mercy LIFE were able to mobilize and coordinate resources so that George could continue to live in his community. That way, they helped improve his quality of life.

- And, PACE costs less because the re-hospitalization rate for PACE participants is only a fraction of what it is for similar patients not lucky enough to be in a PACE program.

- Here is a question. If PACE is so successful, why isn't it in every single community in America? And, what role can we in CMS play to help such a good model spread even more effectively?

- How can CMS help make sure that the best care is the "normal" care for all Medicare and Medicaid "participants?"

**Dual Eligibles**

- To the issue at hand this morning – we need truly integrated health care for those most often overlooked: Our children, our seniors and all who live with disabilities.

- I commend Kaiser for holding this policy briefing and releasing two, significant policy papers:

    - "Medicare Spending for Beneficiaries in Nursing Homes and Long-Term Care Facilities," and

- "To Hospitalize or Not to Hospitalize – Medical Care for Long-term Care Facility Residents."

- These are very important topics – delivery system reforms and quality improvements for that part of our population that needs our attention

  - Those who are most frail – most vulnerable – and have complex chronic, acute, long-term care needs.

- The Affordable Care Act presents a prime opportunity to integrate care for the 9.2 million Americans covered by both Medicare and Medicaid – the "dual eligibles" – who tend to be among the poorest, sickest, and use both programs.

- So many of these dual eligibles are in institutional settings or receiving other long-term support and services.

- Yet, too often, they receive fragmented services between our Medicare and Medicaid systems. Many enter long-term care settings on Medicare and quickly spend down to Medicaid.

## CMS and Dual Eligibles

- Navigating these two federal programs with different program rules and financing incentives can be complex for beneficiaries and for providers.

- It can complicate care coordination, and can result in cost-shifting between the two programs.

- We must foster systems of care and payment for dual eligibles that treat the whole person – and bring Medicare and Medicaid together on this issue.

- Better care coordination offers tremendous opportunities to such CMS priority areas as:

    - Care transitions.

    - Avoidable institution admissions – acute, post acute, long-term care.

    - Preventable readmissions and emergency care.

    - Medication management and behavioral health, and

    - Focus on health homes and person-centered care management.

## ACA and Dual Eligibles

- The Affordable Care Act calls on us to more effectively integrate Medicare and Medicaid benefits.

- To that end, CMS has created the Federal Coordinated Health Care Office, to better integrate benefits under Medicare and Medicaid
  - And to improve coordination among the federal government and states for dual eligibles.

- We have started with a focus on developing the data about dual eligibles across Medicare and Medicaid so that we can take a comprehensive view of the kinds of services they use.

- Our overall goals are to:

  - Simplify processes.
  - Improve quality.
  - Increase dual beneficiaries' understanding and satisfaction.
  - Eliminate regulatory conflicts and cost shifting, and
  - Improve care continuity – to ensure safe and effective transitions.

- But getting this right – creating the health and health care we need – is not a task that CMS, alone, could hope to achieve.

## Conclusion

- None of this will be easy. All of us will have to change the way we do business. And there's plenty of work ahead.

- But I see discussion forums – *like this one today at Kaiser* – as a key part of the process to help a new and better health care delivery system emerge – better for patients, better for the health of the public, better for our economy as a whole, and, not at all incidentally, better for the dedicated professionals and managers who come to work every day to try to relieve human suffering and to restore and maintain health.

- One thing that I do know is th*is: We will either build the* new health care system for America together – patients, hospitals, physicians, organizations, managers, employers, and communities – together – or we will not build it at all.

  Let me be clear, in closing, about one final, serious matter: *authenticity.* Authenticity matters. Those who wish only to preserve the *status quo* are not going to be constructive contributors to our nation's future. They cannot be effective partners, and we simply do not have time to pretend that they are. We just do not have time for games anymore.

- But those who agree that now is the historic opportunity – perhaps the last in my lifetime – to navigate our nation to better care, better health, and better costs – to navigate us to the care we can be proud and confident to hand to our children – those who welcome change and will agree to lead it will find a friend in me, levers in the new law, and gratitude in communities they serve.

- Thank you for allowing me to participate in this Kaiser Family Foundation briefing. Thank you for your insights and ideas. And, thank you for sharing in this vision.

- And, with that, Diane, I'd be delighted to take a few questions?