

# Principles for Consumer-Friendly Payment and Delivery System Reform



Health Care For All New York: Building Quality, Affordable Health Care for ALL New Yorkers

**Payment and delivery system reform** describes three major changes to how health care is delivered. These changes are intended to reduce excessive health care costs and improve the quality of health care in the United States:

- **Payment reform** means value-based payment, quality bonuses, bundled payment, global budgets, and other types of payment that move away from fee-for-service and are meant to financially reward quality instead of volume.
- **Integration** means strategies to better coordinate care and avoid duplication, like Accountable Care Organizations (ACOs). Integration can occur between different types of providers (such as primary care and behavioral health or primary care and hospitals) or between clinical health systems and non-clinical services like food assistance.
- **Transparency** means public reporting about prices and costs to consumers and the use of public performance measures, both process and outcomes, to define value in health care.



*Payment reform and other transformation strategies could improve health care for consumers and providers.*

Consumers could benefit greatly from these changes if reform is conducted in a manner that is patient-centered. The current delivery system produces mixed outcomes at a high cost, and often requires patients, payers, and providers to overcome a bewildering set of hurdles to access and coordinate services. However, consumers could be harmed if reform leads to unintended consequences such as increased barriers to care.

Incorporating a consumer perspective when designing and implementing reform efforts is important for minimizing unintended consequences that could hurt consumers and make reform less successful. HCFANY developed the following principles as a framework for consumer advocacy around payment and delivery system reform, organized into four categories:

1. Consumer Engagement,
2. Access to Care,
3. Quality Outcomes, and
4. Consumer Leadership.

## Consumer Engagement

Patients should be able to know what quality care looks like and know when they are not receiving quality care. Patients should be empowered and active in their care, and they should receive care that is informed by their own preferences and circumstances.

- **Meaningful Care Plans:** Every patient with an on-going health issue needs a care plan. The care plan should reflect shared decision-making between the patient and his or her providers. It



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should be used to coordinate care across all providers and in the patient's community. A patient being discharged from the hospital should have a meaningful discharge plan that is clearly communicated to them.

- **Transparency:** Patients should know when they are receiving care as part of a delivery system reform demonstration, such as the Advanced Primary Care model being developed through the State Health Improvement Plan or through one of the projects implemented by a Performing Provider System. Patients should be able to know what incentives their providers and third-party payers have, what services they are entitled to, what projects or initiatives they can participate in, and what their rights are as a participant in a demonstration project, such as the right to appeal a treatment denial or to switch providers.
- **Provider Accountability:** Providers and plans should take responsibility for meaningfully engaging patients in care decisions. Patient engagement should be part of quality evaluations and improvement strategies.



*Payment and delivery system reform could empower consumers by rewarding providers who treat them like active partners.*

## Access to Care

Health care should be provided at a time and place that is convenient for patients. Patients should be able to choose providers based on their own needs and preferences.

- **Emphasis on Access:** Continuity of care and access to convenient, culturally-competent care should be emphasized over quickly transitioning to new models. Consumers should know they can err on the side of receiving care without fear of harsh financial penalties.
- **Self-Determination:** Patients should be able to choose providers based on their own preferences and circumstances, and with full knowledge of their options. Payers and providers should seek consumer participation in new models of care by demonstrating their convenience, effectiveness, and benefits to consumers, not through coercion or financial penalties. Patients should never be asked to choose a provider based on cost alone. It should be easy for patients to view providers' past performance and all their provider options.
- **Accessible Appeals and Safety Valves:** It should be easy for consumers to appeal payer denials and to receive exceptions to typical payer rules in order to access care recommended by a doctor. Consumers should have access to strong complaint processes and providers and payers should take responsibility for monitoring and responding to consumer complaints in a timely manner.
- **Team-Based Care:** Every patient should have access to an interdisciplinary team of care givers that can address all the different components of health. Care teams should often include community health workers who can help the patient access resources in their own community.

## Quality Outcomes

Patients are the most important stakeholders in the effort to improve health outcomes and attain true value in health care. Patients should know how payment and delivery reform is occurring and what progress is being made.

- **Quality Emphasis:** Increasing access and quality should be emphasized more than reducing costs. Lower quality should not be tolerated for the sake of reducing costs.
- **Independent and Public Data:** Quality data should be publicly available, analyzed, and used to improve patients' health and experiences receiving care. Independent sources should collect and analyze quality data.
- **Equity:** Health reform should improve health equity, not maintain or increase disparities. Quality improvements should benefit all communities. The data that supports quality measurement should include information about race, ethnicity, income, disability, language spoken, age, geographic location, gender, sexual orientation, and gender identity to ensure that no group experiences disproportionately worse outcomes. Challenges that disproportionately affect people of color, people with low income, people with disabilities, and other traditionally underserved groups should be considered when designing performance measures and attribution methods, to ensure that data from those groups is counted.
- **Consumer Evaluation:** Evaluations should include information about patients' experiences receiving care. Individual experiences and complaints should be aggregated, publicly reported, and used to improve care.

## Consumer Leadership

Payment and delivery system reform should happen



*Independent, publicly reported quality data could make provider choice more meaningful for consumers.*

for the benefit of patients and with their leadership rather than something happening to patients. Consumers should be part of a feedback loop that allows for continuous improvement.

- **Transparency and Institutionalization:** The process of designing, implementing, and evaluating payment and delivery system reform should be open to all. Decision points should be obvious and there should be enough information available for consumers and advocates to provide meaningful input. Systemic changes to our health care system should be made through democratic and formal processes like legislation and rulemaking, rather than primarily through unelected and temporary workgroups which are often dominated by industry representatives.
- **Equal Representation:** Consumers and their advocates should be represented in equal numbers as payers and providers at all levels – state planning and policy setting; implementation activities for advanced primary care practices, Performing Provider Systems, and other integrated systems or delivery intermediaries; and in the evaluation process for all reform activities.



- **Adequate Resources and Technical Assistance:** Consumer advocates should receive resources, both financial support and technical assistance, for developing or maintaining advocacy structures that can balance the influence of industry associations. Consumer representatives should have access to training and subject matter expertise in support of their role.
- **Diverse Representation:** Consumer representatives should reflect diverse perspectives. There should not be an expectation that one consumer advocate will represent all consumer voices, just as there is no expectation that one hospital can speak for all hospitals.

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**These principles have been endorsed by the following organizations:**

Children's Defense Fund-New York  
Community Service Society of New York  
Empire Justice Center  
Make the Road New York  
Medicare Rights Center  
Metro New York Health Care for All Campaign  
New Yorkers for Accessible Health Coverage  
New York Immigration Coalition  
Public Policy and Education Fund of New York/Citizen Action of New York  
Raising Women's Voices-New York  
Schuyler Center for Analysis and Advocacy

**We welcome your participation in our work!** Please share these principles with your organizations and let us know if we can add you to the list! For more information, contact Amanda Dunker at [adunker@cssny.org](mailto:adunker@cssny.org), or (212) 614-5312.

**Health Care for All New York (HCFANY)** is a statewide coalition of over 170 consumer advocacy organizations dedicated to securing quality, affordable health coverage for all New Yorkers.

