

The *CHRONIC* Care Act: A Path to Better Care for Older Adults

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Over the past several decades, health care costs have consumed an ever-greater percentage of U.S. spending. But for most Americans, higher health care spending has not translated into improved quality, particularly for those with complex medical or social needs. More than half of Americans who reach age 65 will have significant medical or functional support needs, and will have no choice but to use a health care system that is disorganized, siloed, opaque and full of unexpected surprises, such as high co-pays for medications or exorbitant bills from out-of-network providers. Thus, families often face a heavy financial burden, plus the pressure of becoming default care coordinators and full-time advocates for loved ones with complex needs.

VALUE-BASED PAYMENTS KEY

Form follows funding in health care, and value-based payments are an important tool to move payment toward recognizing person-centeredness as a measure of high quality, while encouraging greater focus on social determinates of health.

While the structure and financing of American health care will not change overnight, significant strides have been made over the past decade to better align payment strategies with outcomes that matter not just to those who deliver and pay for care, but also to those who receive that care. Fundamental to this shift has been a concerted effort to move away from fee-for-service toward

holistic payment approaches, braiding traditionally siloed Medicare and Medicaid funding with gain-sharing strategies that better align incentives and risks, thus evolving quality measures toward outcomes and promoting partnerships with community-based organizations to address social determinants of health.

Important national efforts to employ these techniques to improve care include Accountable Care Organizations (ACOs), Medicare Advantage (MA), Special Needs Plans (SNPs), Medicare-Medicaid integration pilots in various states, managed long-term services and supports uptake in Medicaid, the Independence at Home demonstration—and the list goes on.

A PATH TO BETTER CARE

The recently passed federal budget law incorporated the [CHRONIC Care Act](#) to capitalize on and expand upon early successes in many of the programs mentioned above. The Act addresses three aspects of care for Medicare and dually eligible beneficiaries by doing the following:

- **Encourages use of flexible new tools and strategies to better manage individuals with complex care needs.** The law gives MA plans greater flexibility to cover non-medical benefits, such as bathroom grab bars and wheelchair ramps, for identified high-need/high-risk members. MA plans and ACOs may now offer a broader array of telehealth benefits, which can be particularly useful for serving beneficiaries in rural and underserved areas. Also, ACOs will be able to identify and proactively reach out to potential members and provide incentives for beneficiaries to choose an ACO as their main service point. This allows Medicare beneficiaries who choose to stay in fee-for-service to choose high-value, coordinated care through ACOs.
- **Protects and builds upon key programs serving individuals with complex care needs.** The law authorizes SNPs to be a permanent part of Medicare, whereby managed care organizations can proactively identify and serve high-need, high-risk Medicare beneficiaries (i.e., dual eligibles, people with chronic health conditions, people living in institutions). It also extends and expands the Independence at Home program—a Medicare demonstration that supports physicians who serve very high-need beneficiaries living at home, and that helps this population to avoid institutional care.
- **Signals that care coordination and integration are explicit and essential purposes of SNPs.** The law requires SNPs to better integrate care by creating unified plans for dual eligible individuals—plans that actively incorporate Medicare and Medicaid benefits, along with a single pathway for grievances and appeals, across these two complex programs.

Thus, the *CHRONIC Care Act* creates substantial new opportunities to transform Medicare and Medicaid payment and delivery systems, and presents an opportunity to expand and deepen contractual relationships between the health care sector and community-based organizations. Integrating care advances the goals of person-centered care. As these elements come to fruition through the regulatory process, community-based organizations must be ready to respond and comment on regulations and to build and broaden partnerships with MA plans and SNPs. This can provide critical non-medical supports that positively affect care for an older person with complex needs.

The Act makes meaningful policy changes to advance the goals of integrated, person-centered care for Medicare beneficiaries and those dually eligible for Medicare and Medicaid. As a result, millions of older adults, specifically those in MA plans and SNPs, will benefit from home- and community-based services that address their functional needs and social determinates of health. These services are just as important as the clinical services provided by the health care sector.

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