Appendix IV. Introduction to Appendices V - XI
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Appendices V-XI sequentially contain a full memorandum for the following seven initiatives examined in the Report: Global Budgets/Integrated Care Systems, Patient-Centered Medical Homes, Palliative Care, Physical Activity, Nurse Practitioners and Physician Assistants, Healthcare-Associated Infections, and Preterm Births. Each memorandum describes the underlying problem, discusses the proposed initiative, and reports the estimated healthcare expenditure reductions under the Current Developments and Forum Vision scenarios. Each memorandum explains the methods and assumptions used to generate the estimates.

For each initiative, healthcare expenditure reduction estimates were made for the Current Developments and the Forum Vision scenarios, relative to status quo healthcare expenditures. The status quo expenditures are discussed in Section V, “The Affordability Crisis: An Examination of California’s Healthcare Expenditures and Insurance Premiums” of the main Report.

The Current Developments scenario is based on an assessment of unfolding market forces, policies and events. For example, this scenario takes into account growing Medi-Cal primary care access challenges, private payers’ experimentation with new delivery and payment methods, and the growing awareness of the benefits of palliative care and physical activity. The Current Developments scenario is distinct from the status quo, which is based on historical trends along with key Affordable Care Act provisions such as health insurance coverage expansion.

In contrast, the Forum Vision is based on a scenario in which there is a much more pronounced shift towards risk-based payments and integrated care systems that better align clinical and financial incentives and that also prioritize population health. Thus, under the Forum Vision, adoption rates as well as the effectiveness of the various initiatives are assumed to be significantly higher than under the Current Developments scenario.