Primary Care, ACOs, and Payment Reform

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Overview

• Alternative Payment Models and the Shift to Accountable Care
• Early ACO Evidence
• Physician-Led ACO Challenges and Opportunities
• Next Steps
  – Medicare and Private Payers
  – PCPCC and Brookings
Range of Alternative Payment Models

- **Add-On to FFS: Clinical Pathways**
  - Recommended treatment pathways developed based on guidelines using clinical evidence and expert opinion
  - New patient- or practice-based payment for adhering to pathways in most of relevant cases (e.g., 80%)
  - Off-pathway care, including costly imaging or procedures, doesn’t get the payment

- **Add-On to FFS: “Traditional” Patient-Centered Medical Home**
  - Per-case or per-beneficiary payment for care that meets criteria related to quality (medical home, oncology medical home, case management fee for specialists)
  - May also have up-front payment for initial infrastructure investments
Alternative Payment: Additional Case- or Person-Based Payment

Current Payment Model

- FFS Payments to Physicians
- Payments for All Other Care
- Waste and Inefficiency

Additional Case-Based Payment (e.g., Medical Home)

- Total Physician Payment
- FFS Payments to Physicians
- Case Mgmt. Fee
- Payments for All Other Care
- Waste and Inefficiency

Total Cost of Health Care
Alternative Payment: Additional Case- or Person-Based Payment

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  - Per-case or per-beneficiary payment for care that meets criteria related to quality (medical home, oncology medical home, case management fee for specialists)
  - May also have up-front payment for initial infrastructure investments

- **Shared Savings**
  - Physicians share in savings from reducing costs while improving quality for some or all costs incurred by a patient
  - Sets up second payment track for accountability without higher overall payments

- **Payment Shift: Case/Episode or Person-Level Payments**
  - Payment for set of services moves from fee-for-service to case- or episode-based amount
  - For physicians only (e.g., routine care, lab and imaging services) or physicians and other health care providers (e.g., bundled payment for colonoscopy, coronary artery bypass surgery, or cancer care) or all services (e.g., two-sided risk, partial or full capitation)
Alternative Payment: Case- or Person-Based Payment from Savings

Current Payment Model

FFS Payments to Physicians

Payments for All Other Care

Waste and Inefficiency

Total Physician Payment

Shared Savings Payment to Physicians (from overall costs savings)

FFS Payments to Physicians

Shared Savings

Payments for All Other Care

Waste and Inefficiency

Total Cost of Health Care
Range of Alternative Payment Models

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Alternative Payment:
Shift to Case- or Person-Based Payment

Current Payment Model

FFS Payments to Physicians

Waste and Inefficiency

Total Physician Payment

Shift to Case-Based Payment

FFS Payments to Physicians

Case Payment

Waste and Inefficiency

Total Cost of Health Care
Alternative Payment Pathway:
Transition From Additional Payments to Models Based on Savings

Total Physician Payment

FFS Payments to Physicians

Case Mgt. Fee

Waste and Inefficiency

Current Payment Model

Additional Case-Based Payment (e.g., Medical Home)

Shift to Case-Based Payment and Shared Savings

Total Physician Payment

FFS Payments to Physicians

Case Pay

Shared Savings

Waste and Inefficiency

Total Physician Payment

FFS Payments to Physicians

Case Mgt. Fee

Waste and Inefficiency

Total Cost of Health Care
Complementary Payment Reforms for Health Care Providers

Bundling Across Providers

- Traditional FFS
- Add-on quality payment for individual provider
- Add-on quality payment for clinical team
- Partial case-based physician payment
- Complex Condition Patient-Centered Medical Home/Neighborhood
- ACO with Partial Capitation
- Episode Payment for Physician and Hospital Services
- ACO with Shared Savings
- Comprehensive Capitated Payment

Bundling for Individual Provider
ACO Learning Network

A member-driven network of providers, payers, associations, consulting firms, pharmaceutical and device manufacturers, and other related industries

• provides participating organizations with the tools and knowledge necessary to successfully implement accountable care
• delivers national guidance on practical policy steps for advancing health care reform through accountable
• fosters the critical exchange of implementation strategies and thought leadership to move member organizations forward in their accountable care efforts
• helps ACOs overcome the implementation and policy challenges highlighted today
Early MSSP Financial Results
MSSPs Reducing and Increasing Spending

<table>
<thead>
<tr>
<th>Reduced Spreading Enough to Earn Shared Savings</th>
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<tbody>
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<tr>
<td>Reduced Spending, but Not Enough to Earn Shared Savings</td>
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<td>Increased Spending, but Not Enough to Have Shared Losses</td>
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<td>Significantly Overspent Budget and Had Shared Losses</td>
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<tr>
<td><strong>TOTAL Participants</strong></td>
<td><strong>220</strong></td>
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Average Percent Savings by Number of Beneficiaries

Per Capita Expected Spending vs. Percent Savings

Number of MSSP ACOs in Each Overall Quality Performance Percentile

- Below 30th
- 30th
- 40th
- 50th
- 60th
- 70th
- 80th
- 90th
ACO Quality Performance Score vs. Percent Savings


*Excludes one outlier with losses in excess of 40%*
Medicare Physician-Led ACOs

• Over half of Medicare ACOs are now physician-led

• What makes physician-led ACOs different?
  – Greater focus on primary care, prevention, and patient-level care management
  – No “demand destruction” as with hospital-based systems; can focus on reducing hospitalizations and other costs with beneficial revenue impact
  – Smaller, less compartmentalized - easier to implement change across system

• Early MSSP results suggest physician-led ACOs have been slightly more successful at reducing total costs than hospital-led ACOs
  – More than a quarter of physician-led ACOs earned shared savings, disproportionately in Florida and Texas
  – 4 of the top 6 shared savings earners were physician-led
  – Successful physician ACOs implementing a variety of strategies

• Despite some early successes, many physician-led ACOs are struggling, and long-term challenges remain
Adopting Accountable Care: An Implementation Guide for Physician Practices

- Produced as part of Physician-Led ACO Innovation Exchange
- Twice-monthly conference calls on four toolkit chapters
- ACO leaders shared ideas and projects with each other
- Guest experts invited to contribute to the discussion
- Open forum for discussion and questions
Chapter 1
Identifying and Managing High-Risk Patients

- Start by defining an intervention
- Use the analytics tools that are most accessible
- Combine your raw analytics with clinical intuition
- Take advantage of patient-reported data
- Invest in coordinated care transitions
- Use intensive care management thoughtfully
- Set up your care management to promote meaningful relationships
- Use information technology to promote care management success

Examples
- Capture socioeconomic risk factors: housing, financial situation, access to healthy foods, behavioral factors, etc. (Family Health ACO)
- Use hospital-based care managers to coordinate discharge plans; may include visit from NP within 48 hours of discharge, primary care follow-up within 7 to 14 days (Crystal Run Healthcare)
Chapter 2
Creating a High-Value Network

• Understand existing referral patterns
• Reduce unnecessary referrals
• Improve the coordination of care between primary care and specialty providers
• Avoid unnecessary facility fees
• Identify and partner with cost-conscious specialists and ancillary care providers
• Bring specialists into your ACO
• Build partnerships with long-term and post-acute care facilities

Examples
• Patient advocate to visit patients in hospital and provides info on partner post-acute care facilities; NP visits patient after discharge (Summit Medical Group)
• Reduce home care expenses by having visiting nurses come to person in clinic to obtain authorization for home services; closes loop between PCPs and home nurses (Palm Beach ACO)
Chapter 3
Using Event Notifications

• Get your data house in order
• Leverage existing relationships
• Build notification processes into the existing clinical workflow
• Utilize decision support rules
• Ensure that notifications lead to clinical intervention
• Promote HIE and data exchange outside your ACO

Examples
• Use scoring system to match patients with clinical data within a health information exchange (Maryland Health Information Exchange, CRISP)
• Create decision support rules to prioritize which patients are of highest severity
Chapter 4

Engaging Patients

- Invest in outreach methods that reach all patients, not just the complex
- Determine each patient’s preferred method of communication
- Schedule beneficiaries for a Medicare wellness visit
- Connect with patients while they are hospitalized or in a skilled nursing facility
- Work collaboratively with patients to achieve their care goals
- Get patients involved in ACO decision-making

Examples

- Create patient portals for patients to receive and share information about their health status
- Create a patient survey to better understand patient preferences and understanding of their health
Challenges for Physician-Led ACOs

• Creating financial models to sustain a physician-led ACO
  – What are the costs and ROI for administration and leadership, information technology, population health, and other essential components of supporting an ACO?
  – What should be done first?

• Strategies for clinical transformation within a physician-led ACO
  – How can ACOs create a robust primary care infrastructure with team-based care, extended hours, urgent care, advanced practice nurses, and other innovative practices?
  – How can advanced primary care contribute to clinical transformation and the overall mission of ACOs to improve quality while reducing costs?

• Strategies for effective interaction with specialists, hospitals, and other providers

• Effectively collecting and using data to transform care
MSSP Notice of Proposed Rulemaking

• Create greater certainty for program participants
  – Improved sharing and analysis of claims data and aggregate program performance
  – Benchmark that reflects regional factors
• A Clear and Achievable Transition Path to Financial Risk
  – Incentives for ACOs, including physician-led, to move to two-sided risk: prospective attribution, waivers, converging tracks
  – Allow ACOs more time to gain experience at risk contracts
• Engaging Patients
  – Patient opt-in and opt-out in two-sided risk
  – Financial incentives to remain with a single ACO
• Aligning MSSP with Other Medicare Payment Programs
  – Clearer guidance on interaction with bundles payments, MA, other alternative payment models
• Taking Lessons from Commercial ACOs
  – Allow flexibility, when appropriate, for participants
  – Improved analytics and payer supports
2014-2015 ACO Learning Network
Physician-Led ACO Affinity Discussion Group

- Addresses the unique challenges and opportunities of physician-led ACOs and creates a forum for shared learning and discussion
- Nine affinity group calls throughout the year
  - discuss major barriers to implementation of physician-led ACOs
  - share provider experiences on how they are transforming care in ways that address these issues
  - identify actionable next steps to share with the wider accountable care community about how to succeed as a physician-led ACO
- Breakout sessions at two in-person ACO Learning Network workshops
- Sharing of lessons learned and best practices to the Learning Network and wider accountable care community
- Partner with other organizations, such as PCPCC, to improve primary care and ensure continued innovation and success of physician practices
Opportunities for PCPCC Collaboration on Physician-Led ACO Issues

• Collaborate with PCPCC to further the development of best practices and tools for successful implementation
  – Share provider experiences and evidence on overcoming barriers and improving care
  – Disseminate tools to broader ACO and physician community
• Identify key policy reforms for supporting physician-led accountable care reforms
  – Specific guidance for next round of Medicare, Medicaid, and private accountable care reforms
  – Reinforcing policies in physician payment reform legislation and implementation of alternative payment models