

Specialty Payment Model Opportunities Assessment and Design

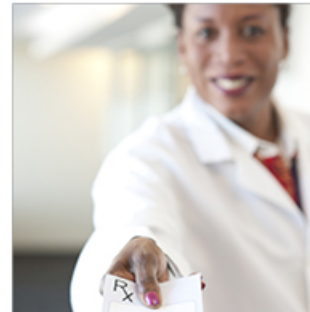
Gastroenterology Technical Expert Panel

April 28th, 2014

Baltimore, MD

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Overview of the Day

Delivery & Payment Reform Framework

Agenda

| Time | Topic |
|---------------|--|
| 8:30 – 8:45 | Welcome and Introductions |
| 8:45 – 9:00 | Overview of the Day and Redesign Frameworks |
| 9:00 – 10:30 | Alternative 1: Bundled Payments |
| 10:30-10:45 | Break |
| 10:45 – 12:15 | Alternative 2: Coordinated Care – Multidisciplinary Medical Homes |
| 12:15 – 12:45 | Lunch Delivered |
| 12:45 – 1:45 | Alternative 3: Population Health and Savings Accrued to Providers and Payers |
| 1:45 – 2:00 | RAND Approach to Data Analysis |
| 2:00 – 2:45 | Elements to Support Redesign Framework – Implementation Challenges |
| 2:45 – 3:00 | Break |
| 3:00 – 3:30 | Elements to Support Redesign Framework – Quality Measures |
| 3:30 – 4:00 | Concluding Remarks |
| 4:15 | Shuttle to BWI |

Project Overview

- **Comprehensive scan of the payment model environment**
- **Inclusion of ideas and opinions from a broad range of interested stakeholders regarding opportunities for novel payment models in gastroenterology**
- **Analysis and assessment of the opportunities in the identified payment models**
- **Collaboratively designed payment models for CMS**
- **Development of medical specialty payment model options that can be realistically executable in CMS's current business environment.**

Project Timeline and Methodology



Environmental Scan

Technical Expert Panel

Model Design

Model Simulation

1. Comprehensive scan of the payment model environment

- a. Literature review
- b. 30 semi-structured, strategic stakeholder interviews
 - a. academic researchers
 - b. providers in community and academic settings
 - c. payers
 - d. patient advocates
 - e. heads of specialty organizations

2. Technical Expert Panel with key stakeholders

TEP Goals

Provide input on how to best design an alternative approach based on:

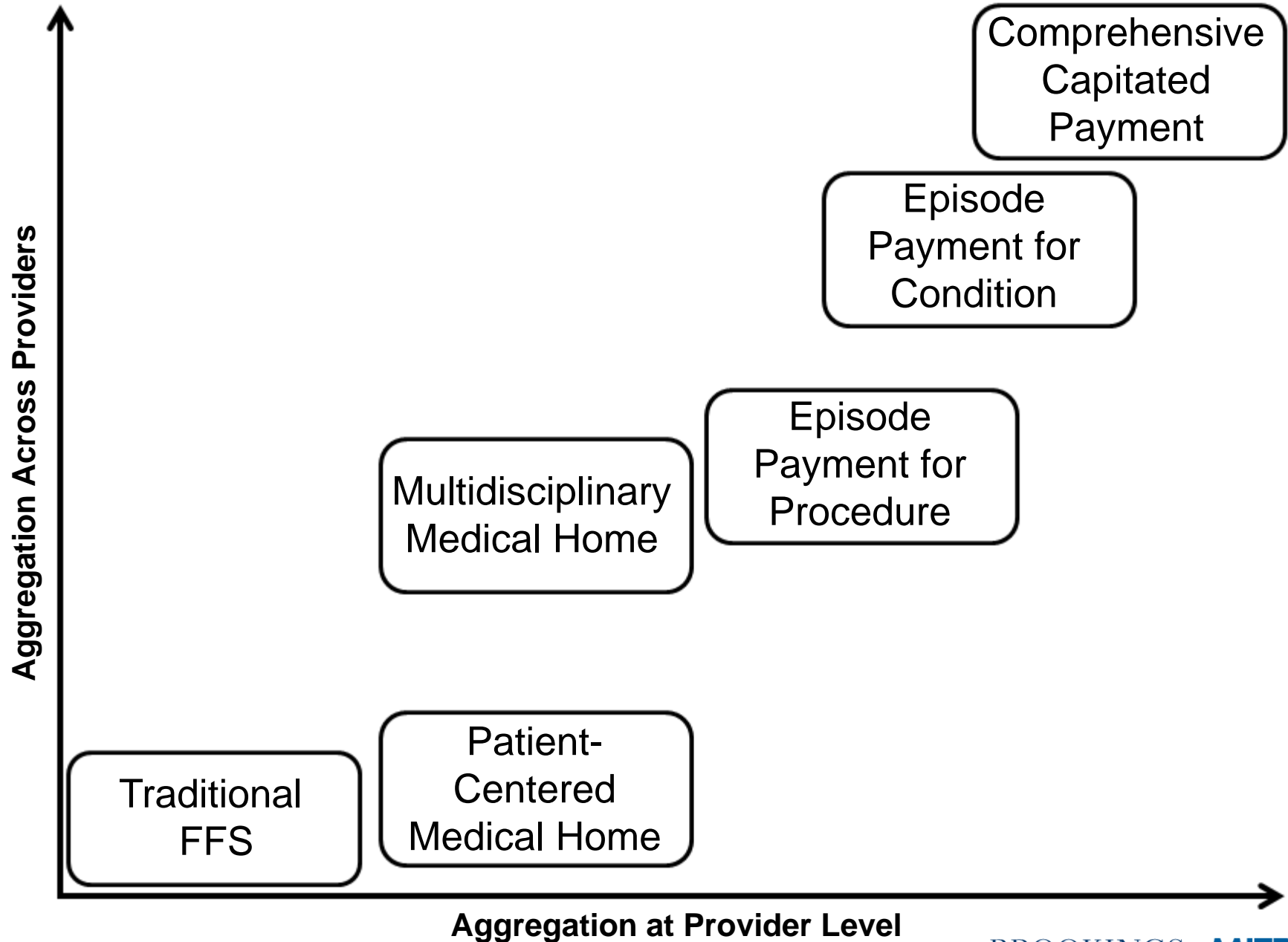
- Care delivery structure
- Payment structure
- Requirements for provider groups
- Potential undesirable consequences
- Quality measures

Shifting Care Delivery in Gastroenterology

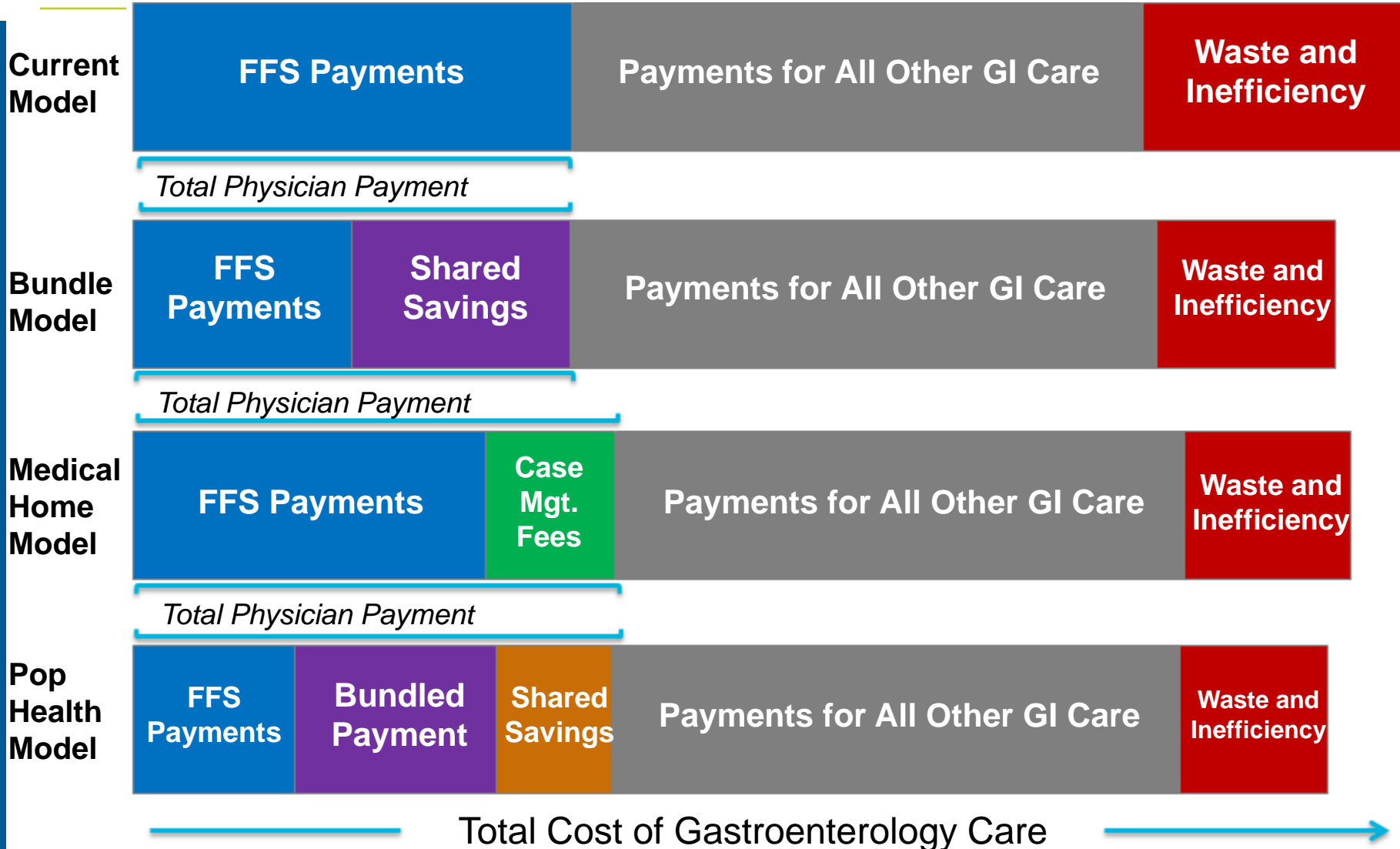
- **New payments covering previously excluded services**
- **Shift funds away from fee-for-service**
- **Capture shared-savings**



Payment Reform Opportunities in GI



Distribution of Costs in Payment Reform Models



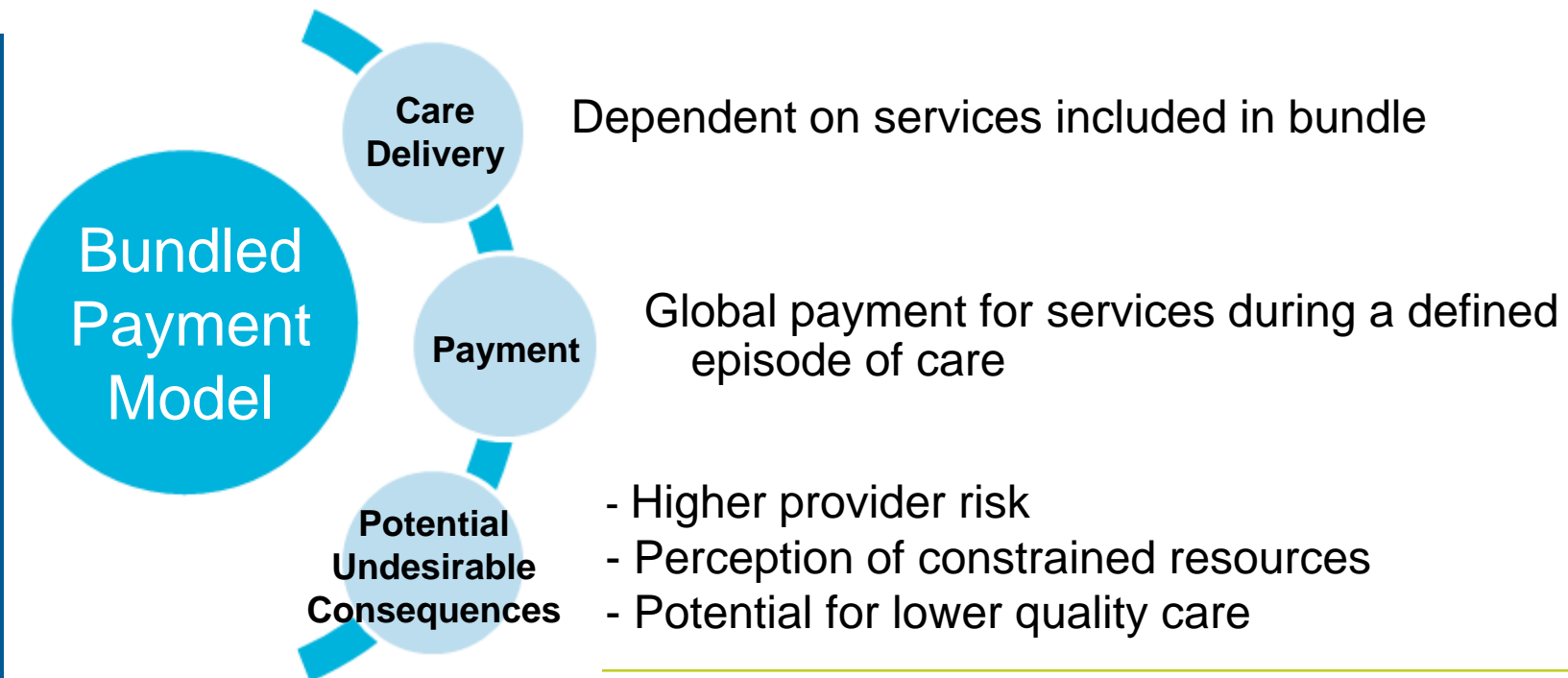
| Domain | Model Features | Bundled Payment | Medical Home | Population Health |
|----------|--|-----------------|--------------|-------------------|
| Delivery | Evidence-based pathways use | ✓ | ✓ | ✓ |
| | Use of quality and performance standards | ✓ | ✓ | ✓ |
| | High level of provider accountability | ✓ | ✓ | ✓ |
| | Patient-centered focus | | ✓ | ✓ |
| | Care coordination focus | ✓ | ✓ | ✓ |
| | Structural transformation required | | ✓ | ✓ |
| | Encourages careful provision of care | ✓ | ✓ | ✓ |
| | Low administrative burden | | | |
| | Potential inclusion of other specialties/areas | | ✓ | ✓ |
| Payment | Shifts current FFS codes into case payments | ✓ | ✓ | ✓ |
| | Existing pilots in progress | | ✓ | ✓ |
| | Potential for continued savings over time | ✓ | ✓ | ✓ |
| | Case management fee | | ✓ | ✓ |
| | Care coordination/Infrastructure development fee | No entry | ✓ | ✓ |
| | Potential for global payment | ✓ | | ✓ |
| | Level of provider risk | Moderate | Minimal | Moderate |
| Quality | Payment tied to quality and performance | ✓ | | ✓ |
| | Standardized Patient-Reported Outcomes | | | |
| Degree | Level of shift from current system | High | Moderate | High |
| | Level of comprehensiveness of model | High | Moderate | High |

Discussion Topics

- Structure of the payment models
- Patient populations included
- Improvements in care coordination
- Improvements in appropriate use
- Promotion of efficiency
- “Site of service” payment differentials
- Data and infrastructure requirements
- Quality measures
- Key barriers to implementation
- Feasibility

Alternative Payment Models

Alternative 1: Bundled Payment



Alternative 1: Bundled Payment Model

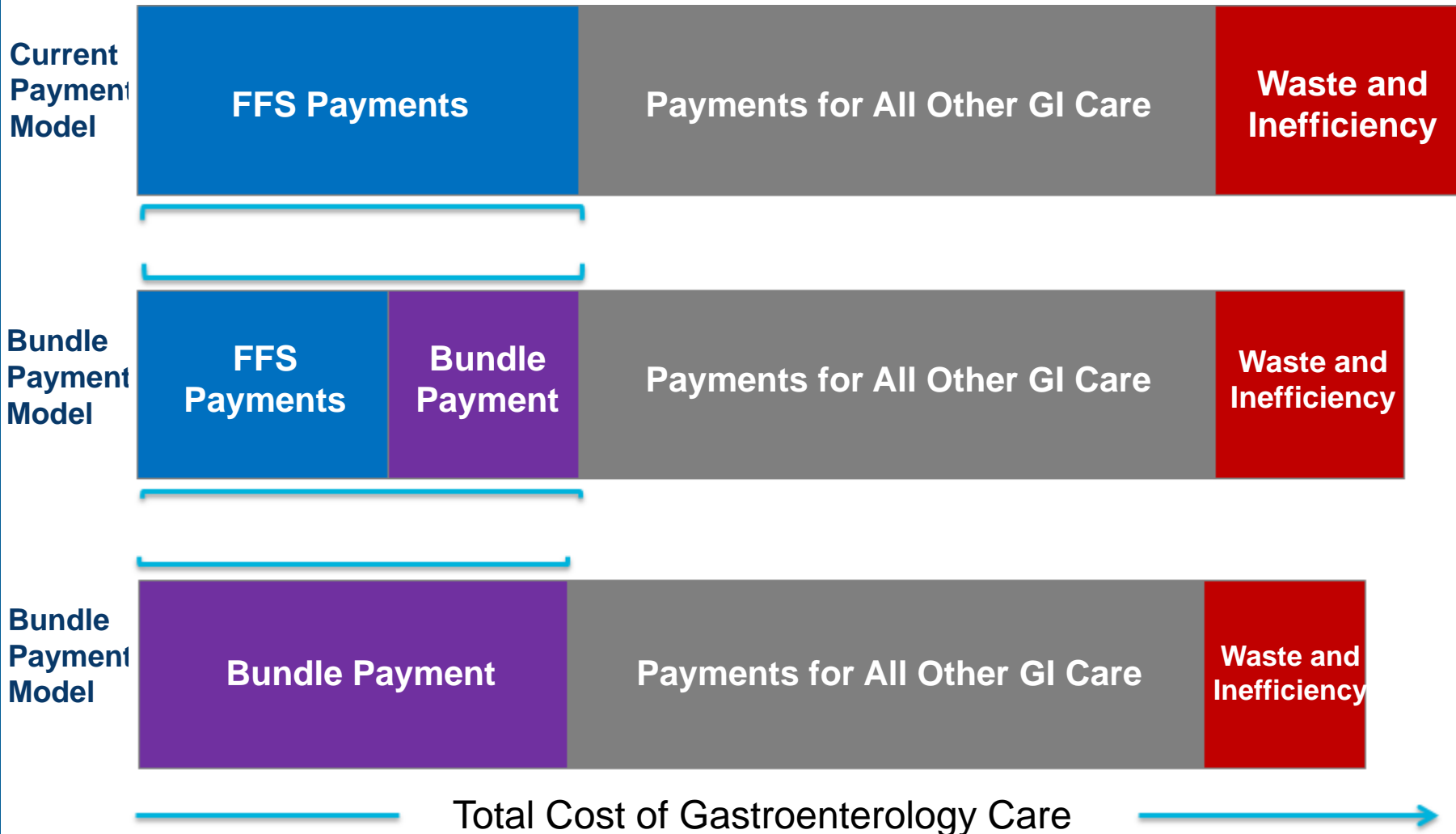
Care Delivery Structure

- Depends greatly on the services included in the bundle
 - **Procedure based bundle:** defined services included in an episode
 - CRC screening and surveillance colonoscopy
 - **Condition based bundle:** all services over a defined time period
 - IBD, GERD

Payment Structure

- Global payment for a group of services previously reimbursed by FFS
- Risk depends on services included
- Payment conditions
 - Meet performance and outcomes benchmarks

Alternative 1: Bundled Payment Model Payment Structure



Example: Bundle Payment for CRC Screening and Surveillance Colonoscopy

Pre-Procedure (3 days)

- Assessment to ensure appropriateness of procedure
- Patient instruction
- Bowel preparation

Procedure (1 day)

- Professional fees (gastroenterologist, anesthesia personnel, nurses, etc.)
- Sedation
- Intraoperative devices to improve bowel preparation
- Diagnostic/therapeutic procedures and biopsies
- Pathology
- Mucosal Inspection

Post-Procedure (7-14 days)

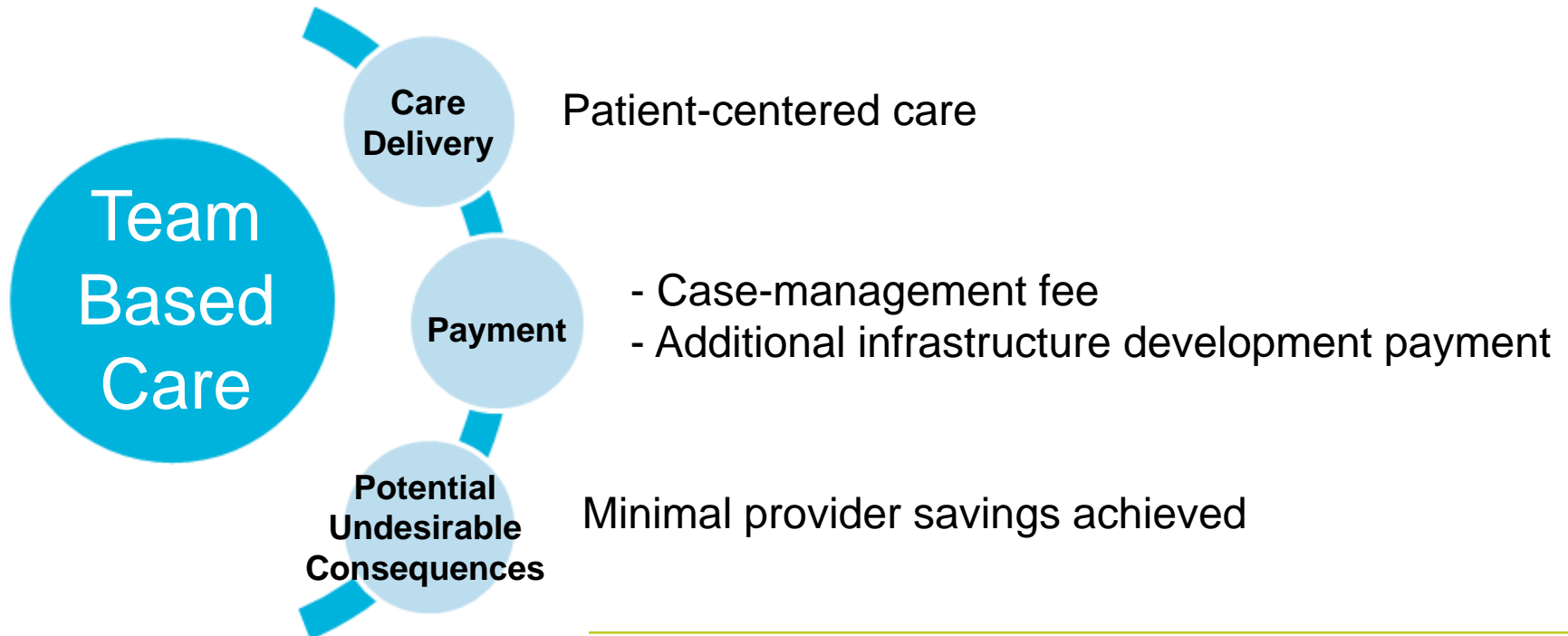
- Post-operative follow-up: communication regarding final procedure and pathology results
- Complications directly related to index colonoscopy
- Repeat colonoscopies due to poor quality index procedure

Alternative 1: Bundled Payment Model Discussion

- What are the considerations for different settings?
- What are the barriers to implementing a bundled payment model?
How do these challenges change if the bundle is procedure-based or condition-based?
- What would make a bundled payment approach attractive to providers and payers?
- What is the impact on the patient and their engagement?
 - Are there steps along with the payment bundle that could help engage patients?
- How should this model address pharmaceuticals?

Alternative 2

Multidisciplinary Medical Home



Alternative 2: Multidisciplinary Medical Home

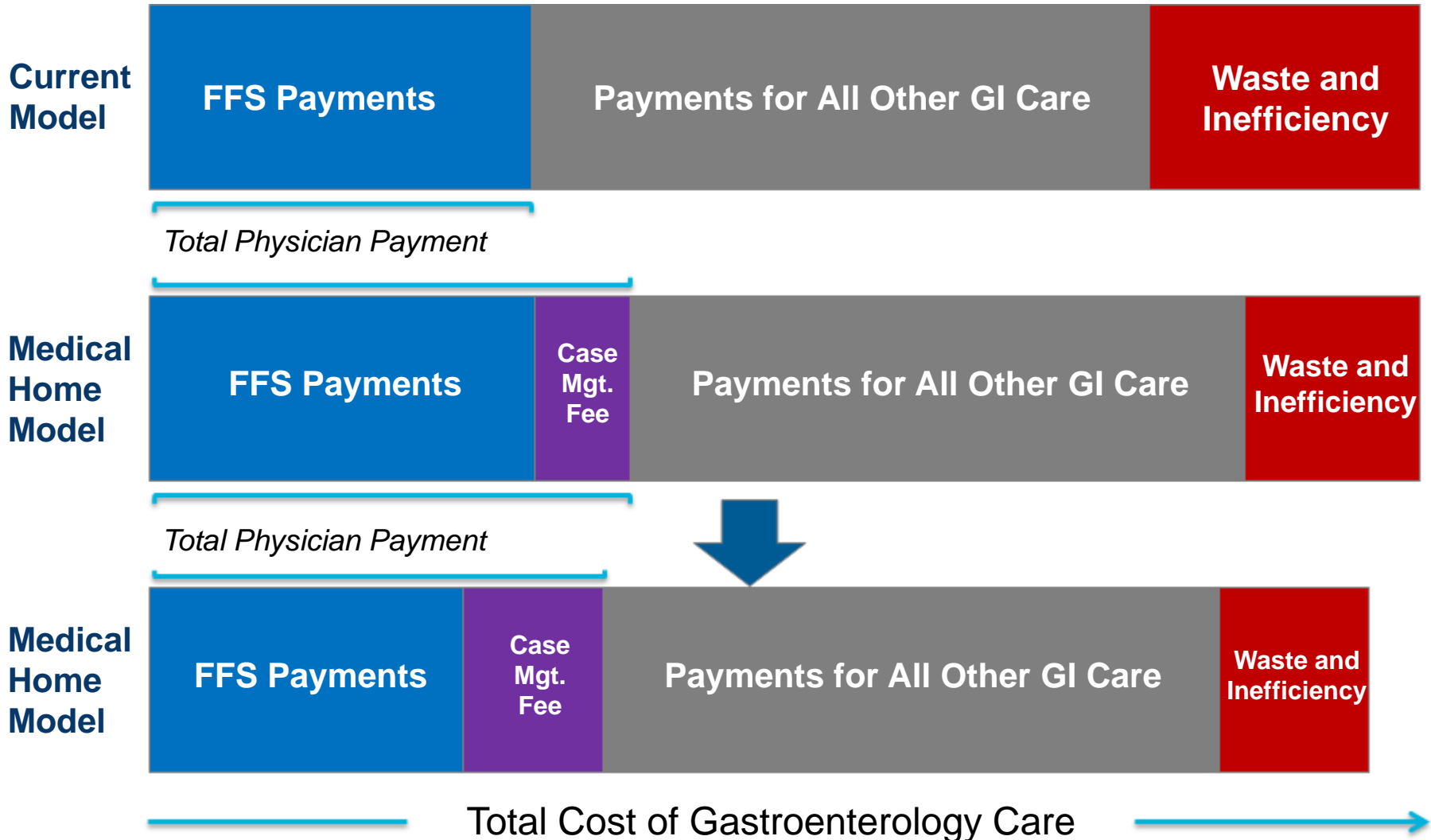
Care Delivery Structure

- Physician led core care team identifying patient need & developing care plan
- Coordination with specialist services depending on need
- Patient centered
 - Extended clinic hours
 - Telephone triage services
 - Psychological services
 - Same day emergency appointments
 - Nutritional services
 - Social services

Payment Structure

- Case management fee to reimburse new delivery features
- Infrastructure development payment to defray costs of practice transformations
- Payment conditions
 - Initiation on diagnosis
 - Must meet performance and outcomes benchmarks

Alternative 2: Multidisciplinary Medical Home Payment Structure



Examples

Project ECHO

- Primary care coordination with Hepatitis C specialists via telehealth to provide treatment to underserved populations
 - Develop patient care plans
 - Discuss difficult cases
 - Continuing education

Project SONAR

- Proactive outreach to Crohn's patients to monitor status, track symptoms, and predict need for care
- Clinical decision support tools within EMRs
- PMPM to maintain care management infrastructure with potential for shared savings

Alternative 2: Multidisciplinary Medical Home Discussion

- What are the considerations for different settings?
- What barriers exist to implementing multidisciplinary medical homes?
- What specific requirements or targets are needed to support the goals of using a case management fee?
- What would make multidisciplinary medical homes attractive to providers and payers?
- What is the impact on the patient and their engagement?

Alternative 3

Population Health Model

Alternative 3: Population Health Model

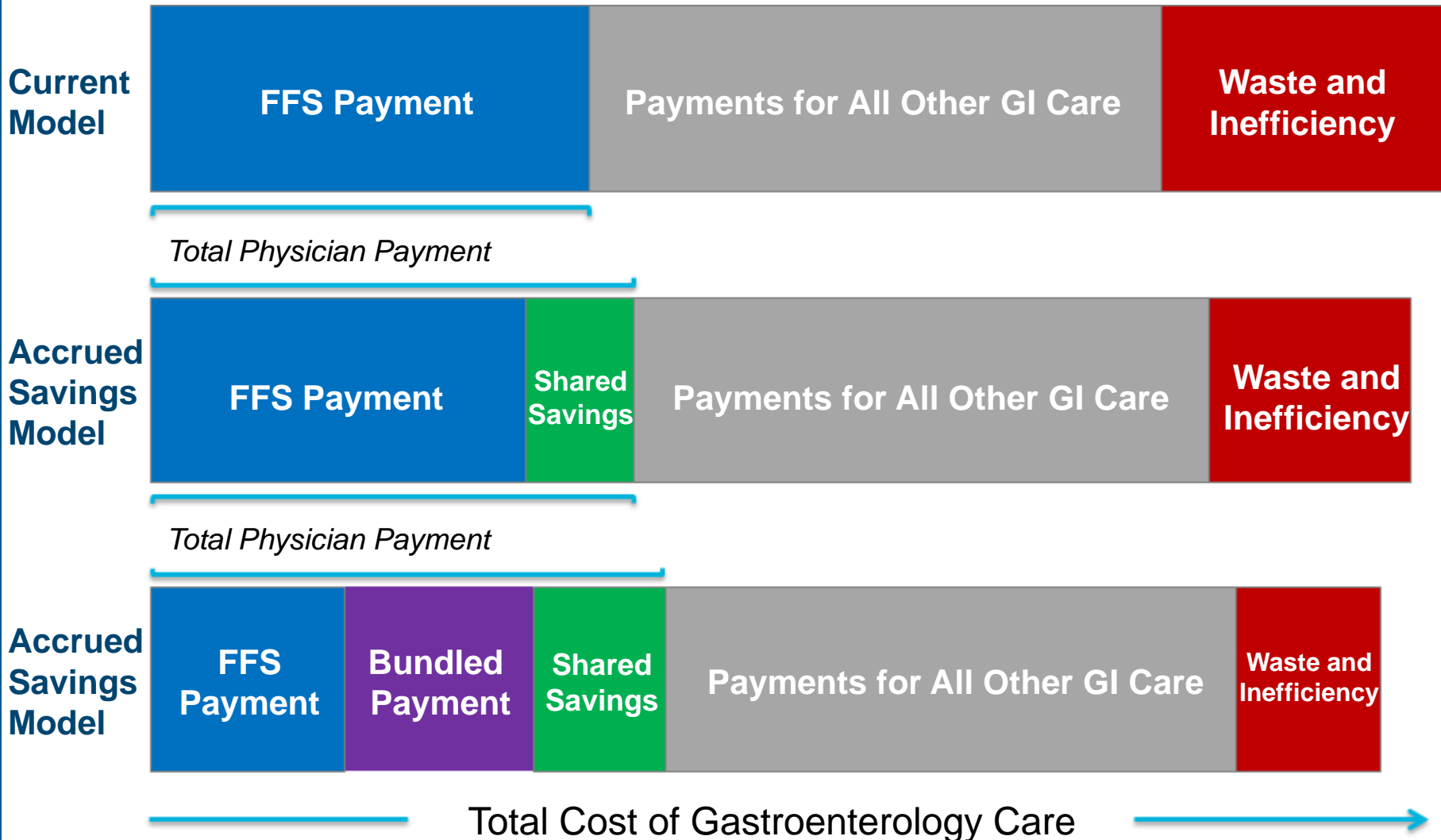
Care Delivery Structure

- Provider responsible for all aspects of care surrounding gastroenterology services in a population
 - Currently exist within ACOs but are applicable in other settings

Payment Structure – add to or replace some portion of FFS

- Fixed management fee
- Efficiency bonus
- Shared accrued savings
 - Symmetric vs Asymmetric Risk
- Bundled payments
 - Prospective vs Retrospective bundles

Alternative 3: Population Health Models Payment Structure



Examples

Optimus HealthCare Partners ACO

- Prospective and retrospective bundled payment with payers and GI practice

Project Sonar

- PMPM to develop and maintain care management infrastructure
- Shared savings recouped on a yearly basis

Alternative 3: Population Health Models Discussion

- How would the considerations differ for the various gastroenterology-shared savings relationships?
- What barriers exist to implementing a gastroenterology-shared savings model?
- What steps would make gastroenterologist participation in population health models more attractive to providers and payers?

RAND Analysis Approach

High Level Overview

Elements to Support Redesign Framework: Implementation Challenges

- **Data infrastructure**
- **Aligning IT systems**
- **Patient engagement**
- **Provider engagement**

Elements to Support Redesign Framework: Quality Measures

- **See Section 4 of your TEP booklet for full list of proposed quality measures**