Strengthening Specialist Participation in Comprehensive Care through Condition-Based Payment Reforms

Duke | MARGOLIS CENTER *for* Health Policy

The Duke-Margolis Center for Health Policy issued a report and recommendations on important steps for Medicare and other health care payment programs to enable more transformative participation by specialty care providers in accountable care payment models.

This report was developed and released in parallel to key strategic updates from the Center for Medicare and Medicaid Innovation (CMMI), including their steps to improve "person-centered, value-based specialty care" for beneficiaries. The Duke-Margolis Center's recommendations were informed by several key convenings and workshops, and authored in partnership with leading national experts.

Collectively, these efforts to strengthen specialty care transformation are critical for achieving the Centers for Medicare & Medicaid Services' (CMS') goal of providing all Medicare beneficiaries access to comprehensive, coordinated, and equitable care by 2030. To-date, the backbone of these efforts has been alternative payment models (APMs) with accountability for quality, health, and total cost of care that benefits patients. Initial APM efforts have focused on strengthening primary care and population health initiatives through accountable care organizations (ACOs) and similar "whole person" care reforms. **But as Duke-Margolis and our collaborators have noted, these APMs have provided only limited financial support for engaging specialists in developing and implementing care models that are patient-centered and help manage and prevent complications from potentially serious and complex conditions.**

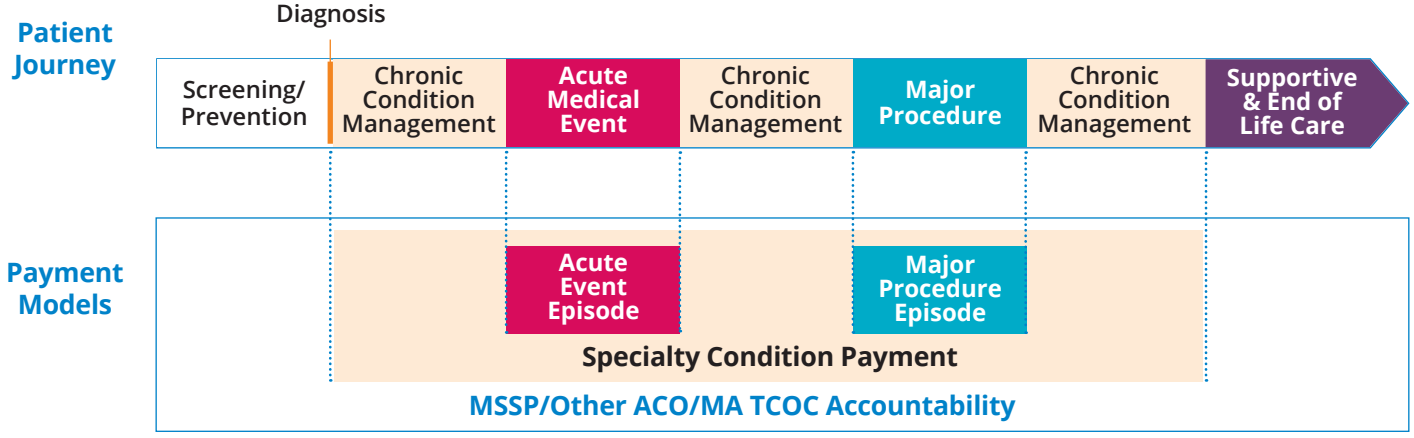
Specialty Condition Payment Models

To advance these efforts, Duke-Margolis recommends creation of Specialty Condition-based Payment Models (SCMs), nested within an ACO or other whole person care reforms, as a critical element for engaging specialty care in care transformation strategies. Through these models, payments would be designed to support condition management and preventive services while avoiding costly complications, allowing for appropriate flexibility in amount and risk to facilitate primary and specialty care alignment. The shift would be mandatory for hospital-led ACOs, which likely have well-developed relationships with specialists already, and voluntary for physician-led ACOs and providers in advanced payment models.

Importantly, the Duke-Margolis report highlights the current care experience for patients with cardiac and musculoskeletal conditions to illustrate the potential of the SCM approach, why it is needed, and where CMMI efforts could focus first.

In cardiovascular care, improved coordination with primary care providers for surveillance and modification of risk factors in the early stages of disease could slow or reverse disease progression. For patients who may benefit from procedures, clinicians will have more time

Nested Structure of Payment Models



Core Model Design Components for SCMs

Model Design Components
A. Episode Definition (Trigger)
B. Episode Start Time (Anchor) and Duration
C. Patient Population and Risk Adjustment
D. Service Configuration
E. Accountable Entity
F. Payment Structure
G. Program Pricing and Incentives
H. Type and Level of Risk / Risk Adjustment
I. Performance/Quality Measures & Benchmarks
J. Data Sharing and Quality Reporting

and resources for shared decision making with patients, which will provide appropriate use of procedures while maintaining or improving health and well-being. For patients whose disease has progressed – for example, those with more advanced heart failure, valvular conditions, or serious rhythm disorders– specialized care teams led by a cardiologist may be best suited to provide an advanced "medical home" dedicated to optimizing a patient's functional status and preventing further progression and complications alongside primary care providers managing the patient's other conditions.

In musculoskeletal care, we and others have documented significant underuse of evidence-based non-operative treatment strategies for populations experiencing joint pain and functional impairments. But current specialty payments providing little financial support for implementing the care coordination, physical and behavioral therapy, remote monitoring, and team-based care needed to sustain these patient-centered specialty care pathways. Overall, there is a need for payment models that support integrated musculoskeletal care that promotes evidence based physical therapeutic practices, that includes a multidisciplinary integrated care team with behavioral health support, addresses unmet social needs, and provides shared decision making around treatment options.

"The potential for new payment reforms is substantial. If new APMs targeting just two conditions— cardiac and musculoskeletal care—reduce procedures and hospitalizations by 10 percent from better condition management, total spending for the entire Medicare program would decrease by more than 2 percent."

–Mark Japinga, Duke-Margolis
research associate and lead author

SCMs can complement other payment reforms and operational elements of Medicare's comprehensive care strategy to help transform all care pathways for patients. In particular, ongoing policy efforts in four key areas could help advance SCMs:

- Fee-for-service payment changes that align with the goal of better condition management and support for specialist transitions to comprehensive care;
- Acute episode bundled payments aligned with SCMs;
- More timely data sharing, with use of condition-based performance metrics and implementation of patient-reported outcome measures; and
- Aligning SCM payment reforms in Medicare with steps across Medicare Advantage and other payment systems to provide complementary supports for specialist participation in comprehensive care.

"Given both the importance of specialty care to improving population health and the financial impact on the health care system, effective specialist engagement must be a centerpiece of any substantive health care reform effort in order to achieve the goal of improving health outcomes and reducing costs through person-centered, integrated approaches to care." – Dr. Mark McClellan, director of Duke-Margolis

SCMs can complement other payment reforms and roader efforts across the health care system can improve understanding and support implementation of SCMs in Medicare. CMS, states, private purchasers, and other health plans are all exploring ways to expand longitudinal specialty care – ranging from cardiovascular care and diabetes management, to maternity care, to back pain and joint conditions, to care for substance use disorders and complex behavioral health conditions. By describing a path forward for improving care for specialty conditions, and by releasing templates for such models, CMS can create opportunities for aligning reforms and best practices with other interested payers and purchasers to reduce the burden and increase the critical mass for specialty care reform.

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This work is part of a three-year, collaborative initiative between the Duke-Margolis Center for Health Policy and West Health to advance and accelerate value-based payment reform in the U.S. healthcare system.

For more information about the Duke-Margolis specialty care transformation work, please contact Mark Japinga, mark.japinga@duke.edu or visit healthpolicy.duke.edu.