UNIVERSITY of WASHINGTON

Addressing Equity Through Alternative Payment Models

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Context

APMs have played an important role in informing expectations and signaling direction toward value-based care

However, progress in care delivery improvements haven't necessarily translated into progress in addressing the critical problem of health disparities

There are reasons to worry that APMs could perpetuate or worsen existing disparities facing historically marginalized groups

Questions

How have APMs engaged historically marginalized communities?

How have APMs affected disparities among individuals in those communities?

What are 3 ways to better advance equity through APMs?

Takeaways

Some APMs have excluded historically marginalized communities

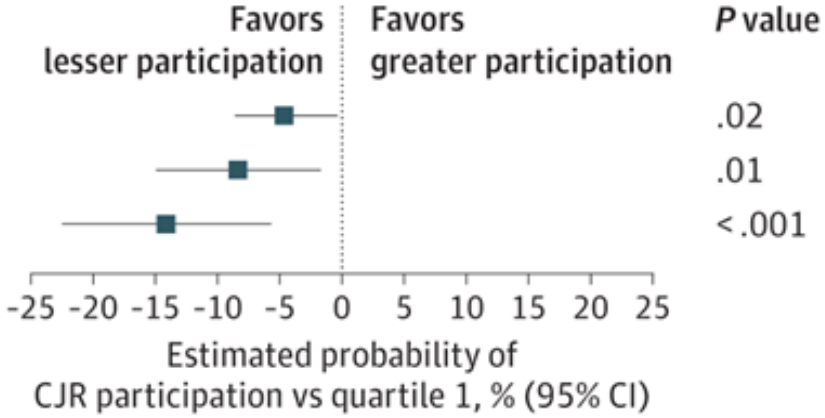
Despite encouraging early evidence, there is an overall dearth of data about how APMs impact disparities among historically marginalized populations

Changes to advance equity through APMs include (a) setting national policy intention and goals; (b) incorporating equity into APM evaluation; and (c) convening multistakeholder groups to guide agendas for achieving equity goals

How have APMs engaged historically marginalized communities?

JAMA Network Open

Quartile of dual-eligibility share	Estimate, % (95% CI)
Quartile 2	-4.5 (-8.3 to -0.7)
Quartile 3	-8.3 (-14.6 to -2.0)
Quartile 4	-14.1 (-22.2 to -6.0)



"Markets that were more likely to have a higher burden of adverse outcomes through social risk factors were less likely to be selected for CJR."

do not differ greatly from those not included. However, it remains unclear whether communities in CJR are representative of others nationwide with respect to residents' SES.

Liao JM, Huang Q, Ibrahim SA, et al. Between-Community Low-Income Status and Inclusion in Mandatory Bundled Payments in Medicare's Comprehensive Care for Joint Replacement Model. JAMA Netw Open. 2021;4(3):e211016.

PAYMENT

By Joshua M. Liao, Mark V. Pauly, and Amol S. Navathe

ANALYSIS

When Should Medicare Mandate Participation In Alternative Payment Models?

ABSTRACT The Centers for Medicare and Medicaid Services continues to propose and implement alternative payment models (APMs) to shift Medicare payment away from fee-for-service and toward approaches that emphasize health care value. As APMs expand in scope, one critical question is whether they should engage providers on a voluntary or a mandatory basis. Clinicians and policy makers may view the benefits and drawbacks of these two modes of participation differently. In this Analysis we compare the benefits and drawbacks of mandatory and voluntary participation, based on clinical versus policy perspectives, and we argue that both modes are necessary for APMs to achieve the goal of improving value. Policy makers should match the mode of participation and related financial incentives to each clinical scenario in which an APM is implemented. We propose ways to coordinate mandatory and voluntary APMs based on clinical scenarios.

Mandatory APMs:

- Have potential for greater coverage
- Can provide more generalizable estimates of APM impact
- May be less susceptible to provider selection

Liao JM, Pauly MV, Navathe AS. When Should Medicare Mandate Participation in Alternative Payment Models? Health Aff (Millwood).2020;39(2):305-309.

DISPARITIES IN ACCESS & CARE

By Laura C. Yasaitis, William Pajerowski, Daniel Polsky, and Rachel M. Werner

Physicians' Participation In ACOs Is Lower In Places With Vulnerable Populations Than In More Affluent Communities

ABSTRACT Early evidence suggested that accountable care organizations (ACOs) could improve health care quality while constraining costs, and ACOs are expanding throughout the United States. However, if disadvantaged patients have unequal access to physicians who participate in ACOs, that expansion may exacerbate health care disparities. We examined the relationship between physicians' participation in both Medicare and commercial ACOs across the country and the sociodemographic characteristics of their likely patient populations. Physicians' participation in ACOs varied widely across hospital referral regions, from nearly 0 percent to over 85 percent. After we adjusted for individual physician and practice characteristics, we found that physicians who practiced in ZIP Code Tabulation Areas where a higher percentage of the population was black, living in poverty, uninsured, or disabled or had less than a high school education—compared to other areas—had significantly lower rates of ACO participation than other physicians. Our findings suggest that vulnerable populations' access to physicians participating in ACOs may not be as great as access for other groups, which could exacerbate existing disparities in health care quality.

Physicians practicing in areas "where a higher percentage of the population was black, living in poverty, uninsured, or disabled or had less than a high school education" had lower rates of ACO participation than physicians practicing in other areas

Yasaitis LC, Pajerowki W, Polsky D, Werner RM. Physicians' Participation in ACOs is Lowe in Places with Vulnerable Populations than in More Affluent Communities. Health Aff (Millwood).2016;35(8):1382-1390.

Summary

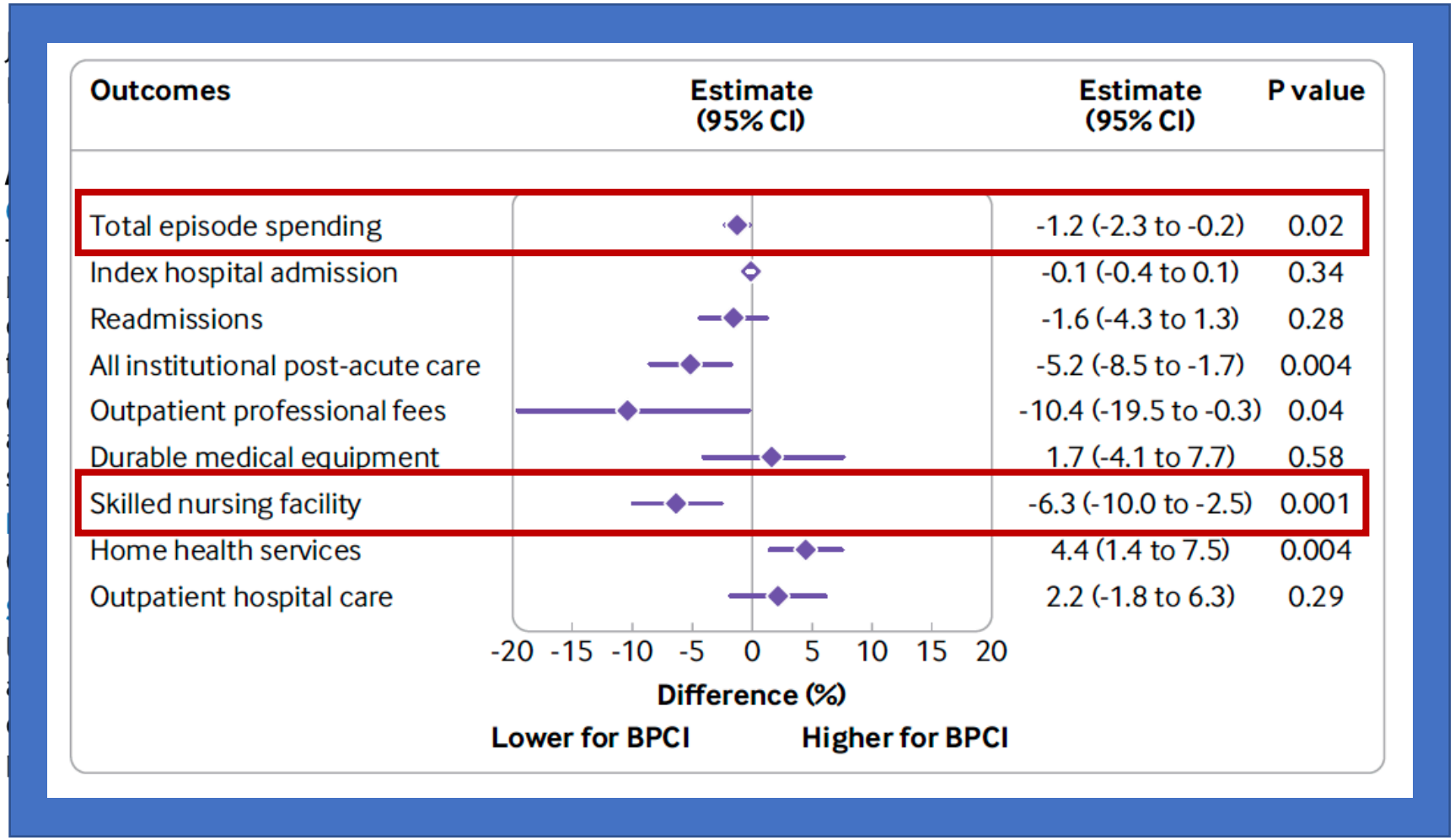
Both voluntary and mandatory APMs may exclude some historically marginalized communities

Participation mechanism – voluntary versus mandatory – may contribute to these dynamics

Social determinants and participation mechanism could be directly considered in the APM design

How have APMs affected disparities among individuals in those communities?

Spending and quality after three years of Medicare's bundled payments for medical conditions: quasi-experimental difference-in-differences study



Rolnick JA, Liao JM, Emanuel EJ, et al. Spending and quality after three years of Medicare's bundled payments for medical conditions: a quasi-experimental difference-in-differences study. British Medical Journal. 2020;369:m1780.

Spending and quality after three years of Medicare's bundled payments for medical conditions: quasi-experimental difference-in-differences study

Clinical risk

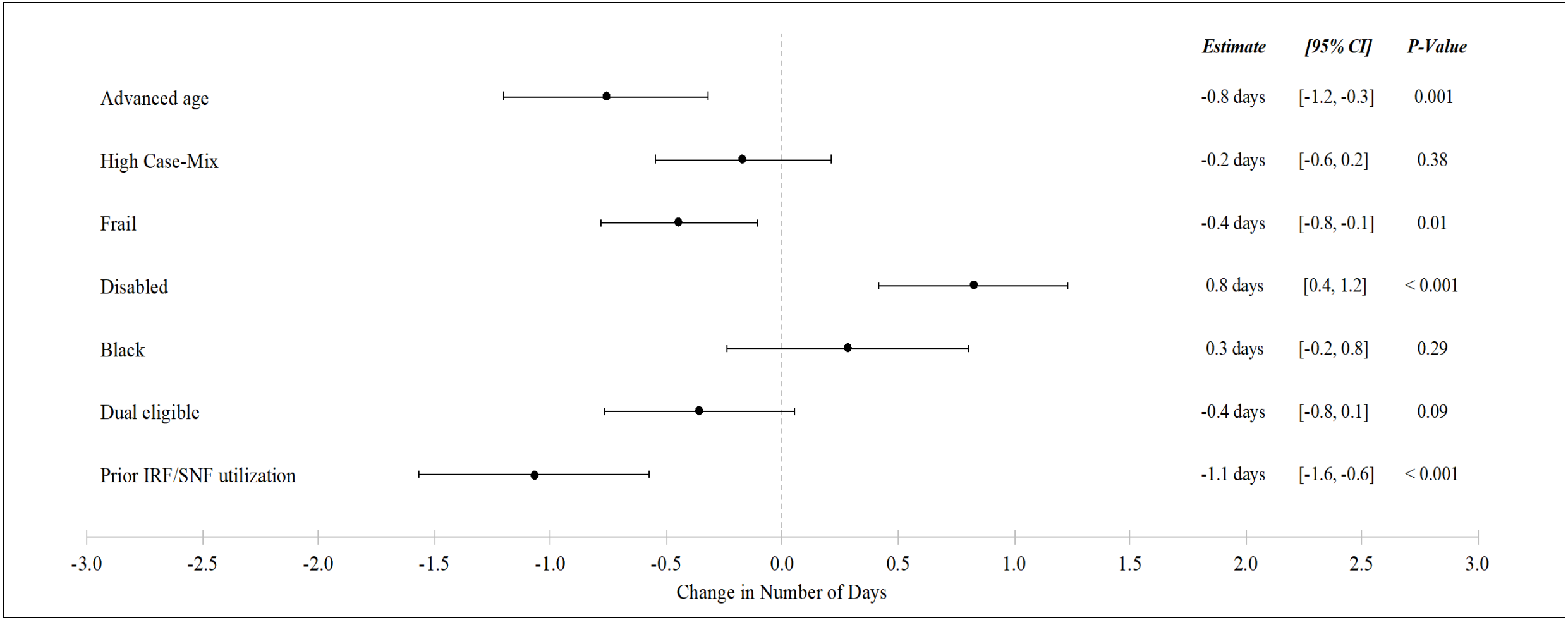
- Advanced age
- High clinical severity
- Frail
- Disabled
- Prior utilization of SNF/IRF

Social risk

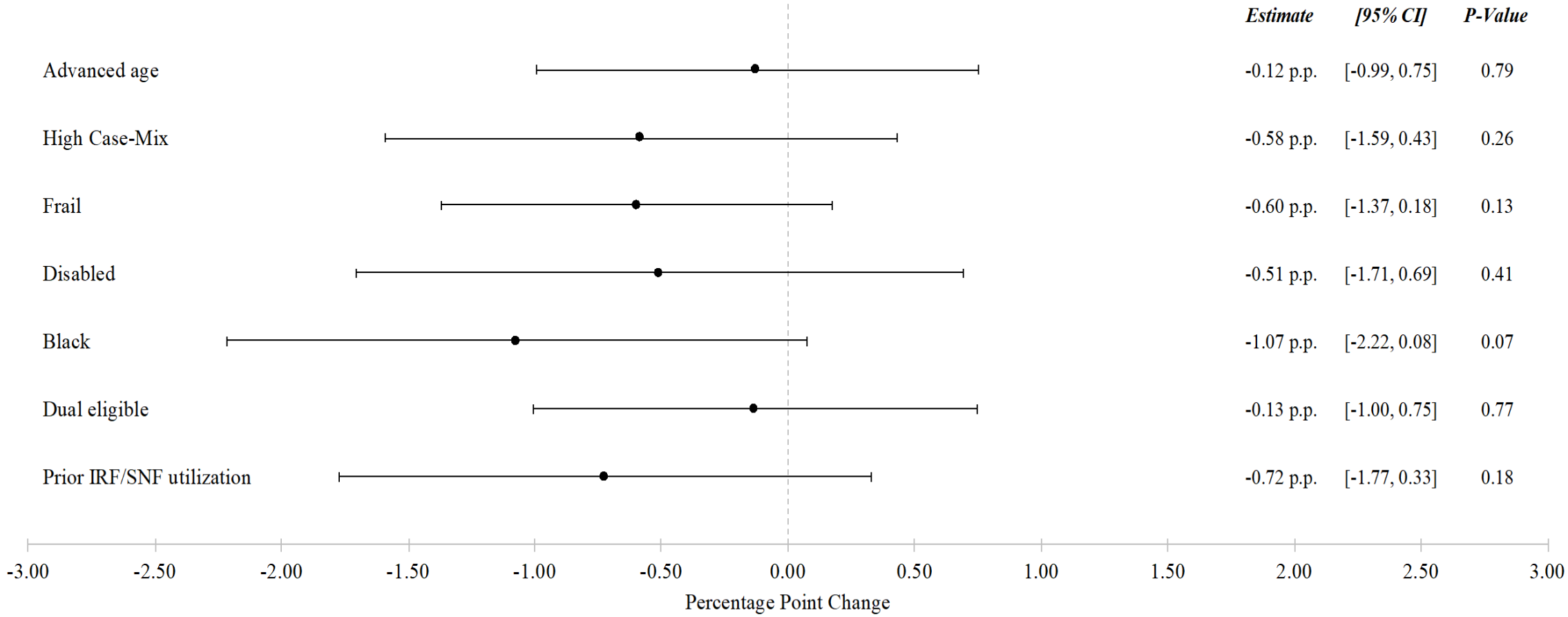
- Black race
- Medicare/Medicaid dual eligibility

Rolnick JA, Liao JM, Emanuel EJ, et al. Spending and quality after three years of Medicare's bundled payments for medical conditions: a quasi-experimental difference-in-differences study. British Medical Journal. 2020;369:m1780.

SNF length of stay



90-day readmissions



Other Outcomes

Differentially lower episode spending: frail, dual-eligible, prior IRF/SNF utilization patient groups

Differentially lower 90-day mortality: disabled patient group

Differentially greater discharge to SNF/IRF: frail patient group

Summary

Under voluntary bundled payments for common medical conditions, there were no widened disparities observed for high-risk patients

Strategies used in bundled payments did not appear to be applied indiscriminately to high-risk patients

This early evidence may help allay concerns, though more data are needed

What are 3 ways to better advance equity through APMs?

VIEWPOINT

A National Goal to Advance Health Equity Through Value-Based Payment

Joshua M. Liao, MD
Philadelphia; and Corporal Michael J. Crescenz VA Medical Center, Philadelphia, Pennsylvania.

Intention matters in health policy. Nearly a decade ago, the clinical community, particularly clinicians who pro-

Table. Changes to Health Care Payment to Pay for Equity

Change	Rationale	Lessons from the value-based payment movement	Example strategies
Set national goals around paying for equity	Policy intention precedes policy implementation, and setting goals is the first step in demonstrating that intention	The US Department of Health and Human Services sped progress toward value-based payment by using bold, unapologetic goals to set direction and expectations for the health care industry	Set a goal of incorporating equity measures into all payment models by 2025
			Set a goal of tying at least 25% of reimbursement in value-based payment models to equity measure performance by 2028
Revise legislation to incorporate equity into evaluation of value-based payment models	Statute governing payment models does not involve any equity criteria	Section 1115A of the Social Security Act required policy makers to directly consider how payment models affect quality and cost	Require "equity audits" of all payment models independent of quality and cost considerations
			Add statutory criteria to implement and scale up programs that increase equity
Convene a multistakeholder group of clinicians, insurers, and community and patient groups to guide an agenda for achieving equity goals	Collaboration is necessary for translating policy intention and statute into real-world programs	Creation of the Health Care Payment Learning & Action Network supported the work of shifting from fee-for-service toward value-based payment	Create a payment equity learning and action network to guide the work of achieving payment equity goals, including collection of nonclinical data, creation of disparities measures, and use of existing measures to quantify disparities

just for patient illness severity in determining financial bonuses or penalties. But these risk adjustment methods are incomplete for marginalized populations, potentially inducing practice changes that exacerbate disparities.

grams affect equity, independent of cost savings.

For example, several bundled payment programs have targeted avoidable utilization of lower extremity joint replacement surgery and postsurgery care. How-

Liao JM, Lavizzo-Mourey RJ, Navathe AS. A National Goal to Advance Health Equity Through Value-Based Payment. JAMA.2021;325(24):2439-2440.

Health Equity and Payment Initiative

A new initiative to use payment to promote equity, rather than perpetuate inequity

Goals are to engaging and working diverse groups of stakeholders to affect change by:

- Setting longitudinal policy goals
- Identifying changes needed in measurement and evaluation methods
- Implementing and evaluating programs

Team & Collaborators

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Amol Navathe, MD, PhD

Takeaways (Revisited)

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Despite encouraging early evidence, there is an overall dearth of data about how APMs impact disparities among historically marginalized populations

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Questions?

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