Physician-Focused Payment Model
Technical Advisory Committee

PTAC Presentation:

PTAC Recommendations for Transforming Health Care Delivery Through Value-Based Care

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Agenda

PTAC's Operational Background & Experience

PTAC's White Paper With Recommendations for Value-Based Care

PTAC Overview

- PTAC was established to review stakeholder-submitted physician-focused payment models (PFPMs) against specific criteria established by the Secretary of HHS.
- Within this context, PTAC also will reflect on pertinent theme-based topics regarding effective payment model innovation in PFPMs and Alternative Payment Models (APMs).
- PTAC holds public meetings to review PFPMs and associated topics.
- PTAC subsequently prepares and submits its comments and recommendations from these public meetings to the Secretary of HHS.

PTAC Background

- PTAC was created by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA).
- PTAC consists of 11 active members who serve terms that are typically 3 years. Some members complete two terms.
  - PTAC has comprised 27 individual experts over its 10 years of operations.
- PTAC typically holds quarterly public meetings.
  - PTAC held its first public meeting in February 2016.
- PTAC produces a report to the Secretary of HHS with recommendations related to each PFPM proposal or theme-based discussion topic.
  - All reports are publicly posted on the ASPE PTAC website.

PTAC Activities and Products

- To best inform its review of PFPMs and theme-based discussion topics, PTAC:
  - Conducts background research (an environmental scan)
  - Conducts supplemental analyses, as needed
  - Requests expert input (e.g., through presentations at the public meetings)
  - Requests either written and/or oral public feedback
- All materials produced by PTAC are posted on the ASPE PTAC website
  - This includes PFPM proposals, environmental scans, supplemental analyses, written public comments, expert presentations, reports to the Secretary of HHS, and public meeting minutes, transcripts, and videos

PTAC Experience

- PTAC “by the numbers” over its 10 years of operations (2016–2026):

32	Public meetings held
37	PFPM proposals received
28	Proposed models deliberated and voted on (the other 8 were withdrawn and 1 is under preliminary review)
16	Theme-based discussion topics explored
238	Experts provided input at PTAC’s public meetings (including providers, patient advocacy groups, payers, health care industry, and academia)

PTAC Stakeholder-Submitted PFPM Proposals

- Characteristics of PTAC's stakeholder-submitted PFPMs:

Submission by Varied Stakeholders	Focus	Main Approach to Payment for Care Delivery
• National provider associations or specialty societies • Regional/local single-specialty physician practices • Academic institutions • Others	• Health conditions • Provider type or setting • Broad applicability	• Per beneficiary per month (PBPM) payments and shared risk • Episode-based shared risk • Additional payments

PTAC Theme-Based Discussion Topics

- PTAC's theme-based discussion topics related to value-based care and issues in previously submitted PFPM proposals have covered:

- Telehealth
- Care Coordination
- Social Determinants of Health / Equity
- Background and Components of Population-Based Total Cost of Care (PB-TCOC) Models
- Best Practices in Care Delivery Models
- Payment Model Features
- Specialty Integration
- Care Transition Management
- Rural Participation in PB-TCOC Models
- Performance Measures
- Patients with Complex Chronic Conditions or Serious Illnesses
- Pathways to Maximize Participation in PB-TCOC Models
- Reducing Barriers to Participation in PB-TCOC Models
- Data and Patient Empowerment
- Multi-Payer Alignment
- Patient Safety

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PTAC's Operational Background & Experience

PTAC's White Paper With Recommendations for Value-Based Care

PTAC Expertise in Value-Based Care

- PTAC is uniquely positioned to provide recommendations about APMs and delivery system transformation.
- PTAC has considered all of the evidence—quantitative and qualitative—presented to it over 10 years of operations.
- PTAC has produced recommendations related to value-based care:
  - As a Federal Advisory Committee, PTAC's recommendations reflect topics that have been discussed at PTAC public meetings.
  - PTAC's recommendations pertaining to stakeholder-submitted PFPM proposals and theme-based discussion topics have been submitted in individual reports to the Secretary of HHS.
  - PTAC has summarized its recommendations related to specific payment model topics in the form of Issue Briefs that are posted on the ASPE PTAC website.

PTAC White Paper

- PTAC has summarized its experiences in a draft white paper:
  - ***Transforming Health Care Delivery Through Value-Based Payment Models and Care: A Roadmap*** (Recommendations of PTAC Based on 10 Years of Operation)
- Purpose
  - To articulate a set of recommendations or a roadmap for policy that further incentivizes and supports the transformation of the U.S. health care system to one that produces high-value, patient-centered care
- Assumption
  - PTAC believes it is most prudent to use what has been learned to date to evolve and refine efforts to implement value-based payment models, indeed, to accelerate these efforts to scale value-based payment and care across the delivery system.
- Finalizing the paper
  - PTAC is seeking input on its draft white paper at this public meeting as it continues to refine its recommendations. A final white paper will be published later this year on the ASPE PTAC website.

PTAC White Paper Focus Areas

- PTAC presents 22 recommendations across 9 topic areas:
  - Looking Back and Moving Forward (1)
  - Total Cost of Care (TCOC): Vision for Patient Care in Population-Based Models (3)
  - Payment Approach (3)
  - Maximizing Participation in TCOC Models (2)
  - Performance Measurement (3)
  - Enablers and Flexibilities for TCOC Models (3)
  - TCOC Models in Rural Areas (2)
  - Technology-Enabled Care, AI, and Patient Empowerment in TCOC Models (2)
  - Patient Safety (3)

Looking Back and Moving Forward

Accountable care organizations (ACOs)—the principal TCOC model—are achieving savings that are growing over time.

Stakeholder presentations to PTAC suggest an **acceptance and willingness among stakeholders** to adopt accountable care as the model for moving into the future.

Looking Back and Moving Forward (continued)

(1) Policymakers should continually reinforce a sense of urgency around and commitment to **value-based payment and care as the principal policy tool** for transforming the health care delivery system.

TCOC: Vision for Patient Care in Population-Based Models

(2) A **shared vision of high-value, patient-centered care** should be the foundation of policies intended to transform the delivery system.

- **Success factors** include:
  - Team-based care
  - Patient-centered care
  - Well-coordinated care
  - Patient empowerment
  - Care coordination
  - Risk mitigation
  - Disparity reduction
  - Connection to resources for health-related social needs
- **Payment methods and performance measures** should continually evolve to reinforce the shared vision of care.

TCOC: Vision for Patient Care in Population-Based Models (continued)

(3) Organizations should have **accountability** in TCOC models but they also should have **flexibility to design incentives** at the provider level.

(4) Accountable entities should have **flexibility in how they manage and organize care**.

Payment Approach

Financial incentives in APMs should **reinforce the care delivery model**. Meaningful payment amounts are critical, particularly for primary care providers treating **high-needs patients**.

(5) CMS should continue to make progress in establishing **benchmarks that create long-term predictability** for payers, health plans, and accountable care entities.

(6) Some portion of payment should be made **prospectively to provide financial predictability** and enable investments in infrastructure needed for the transformation to value-based care.

(7) For clinicians and organizations new to value-based payment, a clear, simple, predictable, multi-year **glide path** should be implemented to enable capacity building.

Maximizing Participation in TCOC Models

Maximum provider participation in TCOC models is essential for effective delivery system transformation.

Payment models should promote a transition to value-based care while also ensuring **financial stability for providers**.

(8) New pathways are needed to encourage greater participation in TCOC models among independent practices, rural providers, and integrated delivery systems.

(9) CMS should develop methods to incentivize **integration of high-value specialty care** with advanced primary care.

Performance Measurement

Current measures do not adequately capture the desired performance characteristics for TCOC models.

High-value measures are needed. **Patient-oriented measures** are especially important for high-needs patients.

(10) Performance should be measured at the **level of the accountable entity** in TCOC models.

(11) Measures used in TCOC models should be a **balanced portfolio** that reflects domains such as clinical quality, population health outcomes, and patient experience.

(12) Performance measures should be **linked using transparent methods to payment** at the level of the accountable entity in TCOC models.

Enablers and Flexibilities for TCOC Models

To enable, encourage, and maximize participation in value-based care, **CMS should**:

(13) Continue efforts to **provide real-time, patient-level claims data** to accountable entities in TCOC models.

(14) Use its leadership position to **help public and private payers align** both their commitment to value-based care and payment, and their methods (e.g., risk adjustment, performance measures) for implementing these strategies.

(15) Provide accountable entities with Medicare-directed **waivers and flexibilities** (similar to those in Medicare Advantage) to ensure they can achieve the vision for care under TCOC models.

TCOC Models in Rural Areas

Increasing the adoption of value-based care in rural areas is critical.

Rural areas face **unique economic, social, and environmental challenges** that can adversely influence participation in APMs.

(16) Multiple strategies are needed to encourage rural participation in TCOC models, such as:

- **providing upfront payments** yields the capital to support adoption of health IT infrastructure
- establishing longer **glide paths** for taking on risk.

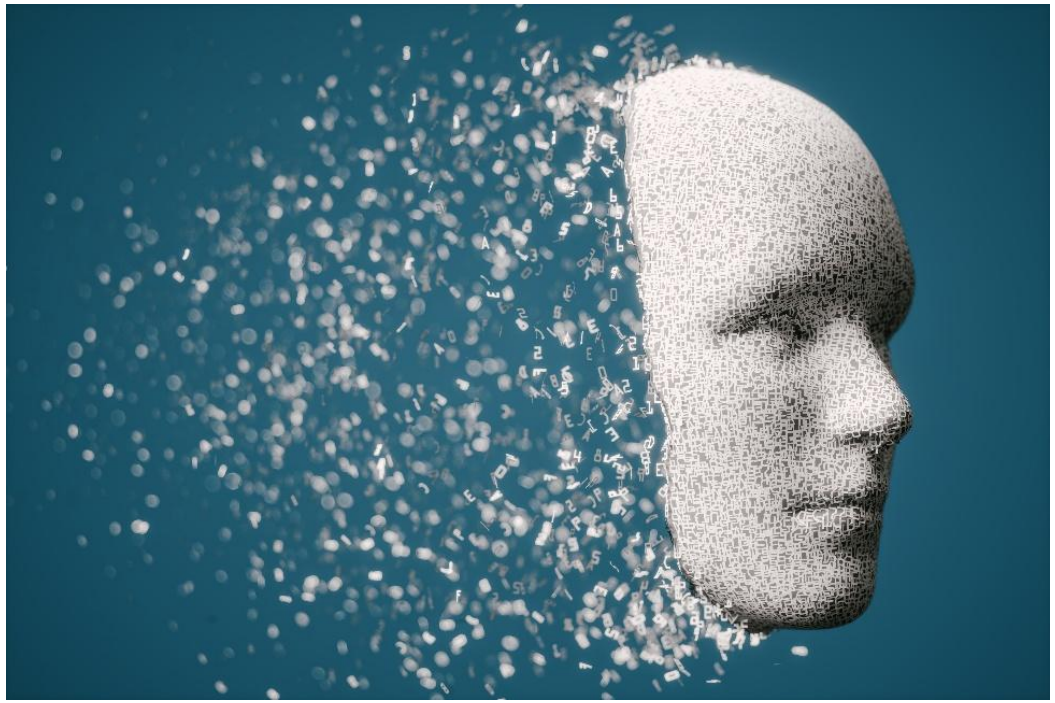
(17) Rural providers should be encouraged to collaborate with other providers in their region to **aggregate the volume of patients** under value-based payment models.

Technology-Enabled Care, AI, and Patient Empowerment in TCOC Models

(18) Patients and their clinicians need access to **real-time, usable patient health data** to promote patient engagement.

- **Digital health tools** should be used to promote data collection, sharing, and integration.
- **AI and other new technologies** should be used to synthesize data to produce actionable insights, support provider clinical decision-making, identify changes in patient health, and personalize care.

Technology-Enabled Care, AI, and Patient Empowerment in TCOC Models (continued)



(19) Through both payment methods and performance measures:

- APMs should strengthen incentives for providers to **use the vast amount of usable data** to generate actionable insights and empower patients through shared decision-making.
- Models should also **incentivize patients** to participate in decision-making and engage in health-promoting behaviors.

Patient Safety

Despite improvement efforts to date, **medical errors remain a significant problem** in health care.

(20) Significantly increased incentives to improve patient safety should be emphasized in **new and current APMs** and strengthened through new performance measures and payment methods.

- **(21)** CMS should consider developing a **patient safety-specific model** that includes incentives for new methods of reducing patient harm, such as investing in new information systems, changing system-level culture, and inducing greater transparency.
- **(22)** CMS could initiate a new version of the **Health Care Innovation Awards** for ground-level development and implementation of a patient safety model.

Concluding Comments

- Data on published ACO outcomes have not quantified the impact beyond simple economic results (cost savings).
  - The changes in care delivery and innovations in care that have resulted from these models have not been fully quantified.
- There should be a shared vision of value-based care (VBC).
- TCOC models need to move beyond the current ACO model payment structure and be the primary vehicle for VBC.
- The focus of TCOC models should be on providing value to members (patients receiving care) and incentivizing and maximizing participation of:
  - Organizations well-equipped to provide VBC but that find FFS more attractive
  - Providers that need financial and other assistance to make investments in VBC

Next Steps

- At today's public meeting, PTAC has invited multiple esteemed experts to share their thoughts on PTAC's draft white paper, including:
  - Overall assessment of the paper and its value for policymakers
  - Range of topics and recommendations covered
  - Wording and tone of the recommendations for a wide audience
  - Whether any recommendations should be strengthened or, alternatively, made less prescriptive
  - Whether any other relevant recommendations should be included
  - Whether any other pertinent information should be included
- PTAC's recommendations are based on topics that have been publicly discussed at PTAC public meetings. Additional ideas shared today may become topics for future PTAC public meetings.

Appendix A
PTAC's Specific Recommendations

PTAC Specific Recommendations

Looking Back and Moving Forward
Recommendation 1: Through communications, model design, and implementation strategies, policymakers should continually reinforce a sense of urgency around and commitment to value-based payment and care as the principal policy tool for transforming the delivery system to moderate spending growth while improving population health outcomes.
Total Cost of Care (TCOC): Vision for the Care Model
Recommendation 2: Across all payers, there should be a shared vision for the care delivered by TCOC models, encompassing the following priorities: • Multidisciplinary team-based, high-touch, proactive, patient-centered care; • Seamless, well-coordinated care, including during care transitions; • Strong patient empowerment and engagement; • Balanced use of, and coordination between, advanced primary care and specialty care; • Targeted population-based interventions to prevent or mitigate populations' risk of developing adverse health outcomes; • Emphasis on reducing disparities in care and outcomes; and • Identification of health-related social needs and connection to appropriate resources. Payment methods and performance measures should continually evolve to reinforce the shared vision for care.

PTAC Specific Recommendations (Continued)

Total Cost of Care (TCOC): Vision for the Population-Based Model (continued)
Recommendation 3: For TCOC models that involve participation among organizations as accountable care entities, accountability should be placed at the level of the organization, with flexibility to design incentives at the provider level.
Recommendation 4: Assuming regulatory and clinical appropriateness, accountable entities should be afforded flexibility in how they manage and organize care in accordance with the vision described in Recommendation 2.
Payment Approach
Recommendation 5: Regardless of the specific payment approaches implemented, CMS should continue to make progress in establishing benchmarks that engender long-term predictability for payers, health plans, and accountable care entities.
Recommendation 6: Regardless of the specific payment approaches implemented, some portion of payment should be made prospectively to provide financial predictability and enable investments in infrastructure needed for the transformation to value-based care.
Recommendation 7: For clinicians and organizations new to value-based payment, a clear, simple glide path should be implemented to enable capacity building, for example, by beginning with upside-only risk (potential for savings but not losses) and moving toward two-sided risk (potential for either savings or losses) over time.

PTAC Specific Recommendations (Continued)

Maximizing Participation in TCOC Models
Recommendation 8: While CMS has made progress toward increasing incentives to participate in TCOC models, new pathways are needed to encourage greater participation among: • Small and large independent practices and rural providers; and • Integrated delivery systems. These pathways would involve a number of different payment mechanisms, perhaps transitional, and may have to be supplemented with mandatory model development.
Recommendation 9: For all potential payment pathways (described in Exhibit 6), CMS should develop methods to incentivize integration of high-value specialty care with advanced primary care. Potential methods include the development of episode-based models that: • Incentivize specialists to provide high-value, coordinated care; • Nest cascading accountability into TCOC models as part of total payment to the organization; • Involve data that can be used by accountable entities for internal payment and performance purposes; and • Involve data that can inform referrals from primary care to high-quality specialists.

PTAC Specific Recommendations (Continued)

Performance Measurement
Recommendation 10: Performance should be measured at the level of the accountable entity in TCOC models, with emphasis on performance measures that reflect key attributes of the vision for TCOC models detailed in Recommendation 2.
Recommendation 11: Measures used in TCOC models should be a balanced portfolio that reflects domains such as clinical quality, population health outcomes, and patient experience. These measures can: • Include structure, process (if strongly linked to outcomes), and outcome measures; • Include patient-reported outcomes and experiences with care; and • Be derived from claims, electronic medical record data, or surveys.
Recommendation 12: Performance measures should be linked using transparent methods to payment at the level of the accountable entity in TCOC models.

PTAC Specific Recommendations (Continued)

Enablers and Other Flexibilities for TCOC Models
Recommendation 13: CMS should continue its efforts to provide real-time, patient-level claims data to accountable entities in TCOC models.
Recommendation 14: To the extent possible under current authority, CMS should lead the way for commercial payers to encourage participation in value-based payment models. CMS should use its leadership position to help public and private payers align both their commitment to value-based care and payment and their methods (e.g., risk adjustment, performance measures) for implementing these strategies.
Recommendation 15: CMS should provide accountable entities with waivers and flexibilities, including those that could be analogous to those allowed for Medicare Advantage plans, to ensure that accountable entities can achieve the vision for care under TCOC models.

PTAC Specific Recommendations (Continued)

Rural Participation
Recommendation 16: Rural provider participation in TCOC models should be encouraged by multiple strategies, including providing upfront payments to support the adoption of health information technology infrastructure and data analytics, allotting a greater percentage of the overall spend on health care to primary care in rural settings, and establishing participation glide paths.
Recommendation 17: Rural providers should be encouraged to collaborate with other providers in their region to aggregate the volume of patients under value-based payment models.
Technology-Enabled Care, AI, and Patient Empowerment in TCOC Models
Recommendation 18: Patients and their clinicians and organizations should be provided with access to real-time, usable patient health data to promote patient engagement. Digital health tools can aid in the collection, sharing, and integration of these data.
Recommendation 19: Through both payment methods and performance measures, APMs should strengthen incentives for providers to use the vast amount of usable data to generate actionable insights and empower patients through shared decision-making. Models should also incentivize patients to participate in decision-making and engage in health-promoting behaviors. For example, ACOs could be provided with waivers to allow for structuring out-of-pocket payments in ways that incentivize patient engagement.

PTAC Specific Recommendations (Continued)

Patient Safety
Recommendation 20: For current and newly implemented APMs, incentives to significantly improve patient safety efforts should be emphasized and strengthened through new performance measures and payment methods.
Recommendation 21: The CMS Innovation Center should consider developing a patient safety-specific model that includes incentives for new methods of reducing patient harm, such as investing in new information systems, changing system-level culture, and inducing greater transparency. One option is a hospital-level "earn-back" model in which hospitals would earn back payments withheld due to not meeting patient safety benchmarks or demonstrated improvement in specific patient safety-related performance indicators. Accountability should include ambulatory facilities and provider-owned or contracted hospitals and delivery systems. Entities implementing the withhold policy should account for and develop alternatives for financially vulnerable facilities.
Recommendation 22: In addition to the previous recommendation, the CMS Innovation Center might initiate a new version of the Health Care Innovation Awards for ground-level development and implementation of a patient safety model. For example, an award might be provided to organizations willing to form an alliance that shares longitudinal patient safety data and produces evidence of best practices.