

Physician-Focused Payment Model Technical Advisory Committee

Preliminary Review Team Report to the Physician-Focused Payment Model Technical Advisory Committee (PTAC)

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In accordance with the Physician-Focused Payment Model Technical Advisory Committee's (PTAC's) *Processes for Reviewing and Evaluating Proposed Physician-Focused Payment Models and Making Recommendations to the Secretary of the Department of Health and Human Services*, proposals for Physician-Focused Payment Models (PFPMs) that contain the information requested by PTAC's Request for Proposals will be assigned to a Preliminary Review Team (PRT). The PRT will draft a report containing findings regarding the proposal for discussion by the full PTAC. This PRT report is preparatory work for the full PTAC and is not binding on the PTAC. This report is provided by the PRT to the full Committee for the proposal identified below.

A. Proposal Information

1. **Proposal Name:** Project Sonar
2. **Submitting Organization or Individual:** Illinois Gastroenterology Group and SonarMD, LLC
3. **Submitter's Abstract:**

"Project Sonar (PS) is a care management program developed by community-based physicians in partnership with a major payer to improve the management of patients with chronic disease. The key to the success of PS is the combined use of evidence based medicine coordinated with proactive patient engagement. The goal of PS is to move physicians from a dependency on fee for service medicine into value based practice. The initial chronic disease category chosen by PS was Inflammatory Bowel Disease (IBD), a family of disorders that are high cost and high risk with a frequency that has been increasing over the past few decades.

In addition to high cost and high risk, Crohn's Disease is also associated with a high variability in outcome and cost. We term this combination of factors as "High Beta" and believe that chronic illnesses can be stratified into high beta and low beta based upon an analogy from the financial industry.

The essential features of PS for the management of patients with chronic conditions, a PFFPM, are:

- Evidence Based Guidelines are used to direct the course of care. These are embedded into the EMR through use of CDS tools
- All patients are risk assessed using a set of biopsychosocial measures
- All patients are enrolled in a web-based communication platform; if not web- or smart-phone enabled, they are engaged by phone calls from the NCM
- Every patient is proactively ‘touched’ at least once a month; more frequently as needed
- A team based care model has been incorporated into the practice
- Clinical and financial data are analyzed
- The care pathway is continually refined through the development of care management algorithms
- We intervene before patients even realize they need care”

B. Summary of the PRT Review

Criteria Specified by the Secretary (at 42 CFR§414.1465)	PRT Conclusion	Unanimous or Majority Conclusion
1. Scope of Proposed PFFPM (High Priority)	Does not meet criterion	Unanimous
2. Quality and Cost (High Priority)	Does not meet criterion	Unanimous
3. Payment Methodology (High Priority)	Does not meet criterion	Unanimous
4. Value over Volume	Does not meet criterion	Unanimous
5. Flexibility	Meets criterion	Unanimous
6. Ability to be Evaluated	Meets criterion	Unanimous
7. Integration and Care Coordination	Does not meet criterion	Unanimous
8. Patient Choice	Does not meet criterion	Unanimous
9. Patient Safety	Meets criterion	Unanimous
10. Health Information Technology	Does not meet criterion	Unanimous
PRT Recommendation (check one): <input checked="" type="checkbox"/> Do not recommend proposed payment model to the Secretary. <input type="checkbox"/> Recommend proposed payment model to the Secretary for: <input type="checkbox"/> limited-scale testing of the proposed payment model; <input type="checkbox"/> Implementation of the proposed payment model; or <input type="checkbox"/> Implementation of the proposed payment model as a high priority.		

C. Information Reviewed by the PRT

1. Proposal (Proposal available on the PTAC [website](#))

Proposal Overview: The proposal describes the model as a “specialty-based intensive medical home.” The model is intended to address what the proposal calls “high beta” chronic diseases – those associated with high cost, high risk, and high variability in outcome and cost – such as Crohn’s Disease. The model aims to decrease Medicare costs through reducing potentially avoidable complications, emergency room visits, and inpatient admissions for beneficiaries with this type of disease.

Under the proposed model, beneficiaries would participate in an enrollment visit with a nurse care manager (NCM), be pinged at least once per month via smartphone or other device of their choice to submit self-assessment data, and receive follow up from the NCM if their data falls outside of standards. If indicated, the NCM would engage the specialist, who would have access to clinical decision support tools. The model uses the SonarMD platform, a cloud-based care management platform, to support these activities.

CMS would provide the Alternative Payment Model (APM) Entity additional payments for these remote patient monitoring services – a payment for the enrollment visit and a per beneficiary per month (PBPM) payment for each beneficiary enrolled in the project. The APM Entity would also be eligible for shared savings and losses based on retrospective reconciliation against a risk-adjusted target price.

PRT Review: The Project Sonar proposal was received on December 22, 2016. The PRT met between January 9, 2017 and February 9, 2017. The PRT sent two rounds of questions to the submitter. The responses clarified important aspects of the model and were very helpful to the PRT. The PRT received and reviewed 28 public comment letters. The questions and answers and public comment letters are available on the PTAC [website](#).

2. Data Analyses

The PRT sought additional information regarding costs and utilization associated with inflammatory bowel disease (IBD). The Office of the Assistant Secretary for Planning and Evaluation (ASPE), through its contractor, produced data tables that are available on the PTAC [website](#).

3. Literature Review and Environmental Scan

The submitter cited relevant literature in the proposal. ASPE, through its contractor, also conducted an abbreviated environmental scan that included a review of peer-reviewed literature as well as a search for relevant grey literature, such as research reports, white

papers, conference proceedings, and government documents. The abbreviated environmental scan is available on the PTAC [website](#).

Documents comprising the environmental scan were primarily identified using Google and PubMed search engines. Key words guiding the environmental scan and literature review were directly identified from the letter of intent (LOI). The key word and combination of key words were utilized to identify documents and material regarding the submitting organization, the proposed model in the LOI, features of the proposed model in the LOI or subject matter identified in the LOI. Key terms used included “Project Sonar,” “intensive medical home,” “intensive medical home specialty care,” “intensive medical home chronic diseases,” and “inflammatory bowel treatment.” This search produced eight documents from the grey literature and two peer-reviewed articles. These documents are not intended to be comprehensive and are limited to documents that meet predetermined research parameters including a five-year look back period, a primary focus on U.S. based literature and documents, and relevancy to the LOI.

D. Evaluation of Proposal Against Criteria

Criterion 1. Scope of Proposed PFPM (High Priority Criterion). The proposal aims to broaden or expand the CMS APM portfolio by either: (1) addressing an issue in payment policy in a new way, or (2) including APM Entities whose opportunities to participate in APMs have been limited.

The goal of this section of the proposal is to explain the scope of the PFPM by providing PTAC with a sense of the overall potential impact of the proposed model on physicians or other eligible professionals and beneficiary participation. Proposals should describe the scope and span of the payment model and discuss practice-level feasibility of implementing this model as well as clinical and financial risks.

PRT Qualitative Rating:**Does Not Meet Criterion**

The PRT finds that the proposed PFPM does not meet the criterion. While the proposal indicates that the model could apply broadly to “high beta” chronic diseases, details are limited to the submitters’ experience with IBD, specifically Crohn’s Disease. For 2015, the estimated number of Medicare fee-for-service beneficiaries with IBD was 145,000 (only 0.48% of the Medicare fee-for-service population). Medicare beneficiaries with IBD accounted for just 1.25% of Medicare fee-for-service spending. The submitter did note that there would be a savings of \$1,000 per patient per year, which is important, but the scalability and applicability to a broader population is not as clear. It is also unclear whether the proposed model would include APM Entities or address payment policy in a new way; in other words, because of the lack of information on additional disease areas, it is not clear if other specialties could easily fit this model. The proposed payment structure appears to be fee-for-service payment supplemented by a monthly care management payment. The PRT

finds that Project Sonar does not sufficiently transition the payment model from these traditional payments to a more novel payment arrangement.

Furthermore, while 20 large gastroenterology (GI) practices have implemented the SonarMD platform, practice feasibility, level of interest, and potential impact based on practice size and specialty are not included (again reinforcing the difficulty in understanding how this model would expand APM Entities that had previously been limited). In addressing Crohn’s Disease, the model seems largely limited to gastroenterologists, with little to no potential for participation by primary care providers (PCPs) or other specialists.

Criterion 2. Quality and Cost (High Priority Criterion). The proposal is anticipated to (1) improve health care quality at no additional cost, (2) maintain health care quality while decreasing cost, or (3) both improve health care quality and decrease cost.

The goal of this section of the proposal is to better understand the “value proposition” that will be addressed by the proposed PFPM. The submitter was asked to describe how the components of the value proposition will be achieved. For example, how will clinical quality, health outcomes, patient experience, and health care cost management be addressed within the model and how will performance be measured? The submitter was also asked to describe any current barriers to achieving desired value/quality goals and how they would be overcome by the payment model. Finally, the submitter was asked to identify any novel clinical quality and health outcome measures included in the proposed model. In particular, measures related to outcomes and beneficiary experience were to be noted.

PRT Qualitative Rating:	Does Not Meet Criterion
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The PRT finds that the proposed PFPM does not meet this criterion. As noted above, Medicare beneficiaries with IBD accounted for a small percentage of Medicare fee-for-service spending. Younger patients with IBD often have more active disease than older patients; therefore, the impact on emergency room and hospital utilization rates is more likely to be seen in the commercial population. In addition, the PRT is concerned that the model lacks comprehensive and robust quality measures. While, the proposal notes that quality reporting would be based upon Merit-based Incentive Payment System (MIPS) and Project Sonar derived measures, the examples for IBD seemed fairly limited, and specific performance targets were not mentioned. The PRT was surprised that the proposal did not include more metrics tied to reductions in cost, overall improvement in care, and patient satisfaction. While the proposal indicates high levels of patient satisfaction where the model is currently implemented, patient satisfaction measures do not appear to be tied to payment or included in quality reporting. The APM Entity would share savings with physicians based on the number of patients monitored, the patient response rate to pings, and risk-adjusted cost of care. Several proposed quality reporting measures are based upon laboratory values which are important but again are not necessarily unique or novel, nor do they align to the payment proposed. For example, while the proposal notes the value of serum albumin levels in risk categorization, its value as a quality measure does not seem

impactful given that there is not necessarily a link to payment for albumin levels, nor is it clear if that is an appropriate direction for the payment model. It is also unclear what the current status of these potential measures is in regards to development, evaluation, endorsement, and implementation. Therefore, the PRT is not convinced that the proposal would improve health care quality at no additional cost, maintain quality while decreasing cost, or both improve quality and decrease cost.

Criterion 3. Payment Methodology (High Priority Criterion). Pay APM Entities with a payment methodology designed to achieve the goals of the PFPM Criteria. Addresses in detail through this methodology how Medicare, and other payers if applicable, pay APM Entities, how the payment methodology differs from current payment methodologies, and why the PFPM cannot be tested under current payment methodologies.

The goal of this section is to better understand the payment methodology for the proposed model, including how it differs from both existing payment methodologies and current alternative payment models. The submitter is asked to describe how the proposed PFPM will incorporate the performance results in the payment methodology and to describe the role of physicians or other eligible professionals in setting and achieving the PFPM objectives, as well as the financial risk that the entity/physicians will bear in the model. The submitter is asked to differentiate between how services will be reimbursed by Medicare versus how individual physicians or other eligible professionals might be compensated for being a part of this model. Finally, a goal of this section is to better understand any regulatory barriers at local, state, or federal levels that might affect implementation of the proposed model.

PRT Qualitative Rating:	Does Not Meet Criterion
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The PRT finds that the proposed PFPM does not meet this criterion. Under the model, CMS would provide the APM Entity additional payments for remote patient monitoring – a \$200 payment for the enrollment visit and a \$70 PBPM payment for each beneficiary enrolled in the project. The APM Entity would also be eligible for up to 10% shared savings or 5% shared losses based on retrospective reconciliation against a risk-adjusted target price. The submitter indicated that their analysis suggests basing the target price on spending specific to Crohn’s Disease, rather than total spending. The APM Entity would share savings with physicians based on the number of patients monitored, the patient response rate to pings, and risk adjusted cost of care. In addition, the proposal includes stop loss provisions and outlier protections.

The PRT is not convinced that a new payment model is necessary to achieve the goals of this model. This PRT finds that a care management fee (such as what is possible with the Complex Chronic Care Management fee or Chronic Care Management fee) alone with the standard fee-for-service payment may be sufficient. This is supported by the fact that some Medicare beneficiaries have already been enrolled in the project. In addition, the PRT notes that, in the Medicare population, IBD patients may have fewer exacerbations of the disease

compared to a commercial population. There may be limited variation in utilization; therefore, opportunities for shared savings or losses may be small.

Furthermore, the PRT is concerned that individual providers do not receive shared savings based on patient satisfaction or care outcome measures. The PRT also notes that the proposal does not address how to manage payment when there are multiple chronic conditions and providers.

Criterion 4. Value over Volume. The proposal is anticipated to provide incentives to practitioners to deliver high-quality health care.

The goal of this section of the proposal is to better understand how the model is intended to affect practitioners' behavior to achieve higher value care through the use of payment and other incentives. PTAC acknowledges that a variety of incentives might be used to move care towards value, including financial and nonfinancial ones; the submitter is asked to describe any unique and innovative approaches to promote the pursuit of value including nonfinancial incentives such as unique staffing arrangements, patient incentives, etc.

PRT Qualitative Rating:	Does Not Meet Criterion
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The PRT finds that the proposed PFPM does not meet the criterion. The proposal does not sufficiently describe the mechanisms that would drive physicians to change behavior. As an example, further identification of how engagement in Project Sonar has affected physician behavior or changed standard practice patterns to reflect better care coordination is needed. It would be important to know if the presence of a care management fee is critical to any behavior change or if it is more important for the patient pings to drive behavior change. The role, if any, of nonfinancial incentives was also unclear. Further, it is not obvious if office staffing arrangements might need to change in order to accommodate Project Sonar, particularly in different practice settings. While opportunities for shared savings and losses could be seen as one way to promote value over volume, the PRT is not convinced that the specific financial incentives in this model are sufficiently structured to do so. Furthermore, the proposal does not include metrics that would directly capture behavior change.

Criterion 5. Flexibility. Provide the flexibility needed for practitioners to deliver high-quality health care

The goal of this section is to better understand (1) how the proposed payment model could accommodate different types of practice settings and different patient populations, (2) the level of flexibility incorporated into the model to include novel therapies and technologies, and (3) any infrastructure changes that might be necessary for a physician or other eligible professionals to succeed in the proposed model.

PRT Qualitative Rating:	Meets Criterion
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The PRT finds that the proposed PFPM minimally meets this criterion. The remote patient monitoring of beneficiaries with IBD could be implemented in a variety of clinical settings. The model allows patients to communicate with the NCM via a web- and mobile-based platform as well as through phone calls. The proposal indicates that small practices, that may not have the volume to support a NCM, could engage in a shared-service model.

However, every new model has implementation burdens, and the PRT would have liked additional information regarding other specific implementation burdens or considerations. In addition, the PRT was concerned that the proprietary nature of the SonarMD platform may be an obstacle for others to participate in the model. Also, the proposal was lacking information regarding how the model might provide flexibility to GI practices of varying sizes; given the heterogeneous nature of GI practices, it would again be helpful to understand how Project Sonar provides flexibility to these sizes as well as how the model might incorporate or adapt to changes in drug therapies and technologies.

Criterion 6. Ability to be Evaluated. Have evaluable goals for quality of care, cost, and any other goals of the PFPM.

The goal of this section is to describe the extent to which the proposed model or the care changes to be supported by the model can be evaluated and what, if any, evaluations are currently under way that identify evaluable goals for individuals or entities in the model. If there are inherent difficulties in conducting a full evaluation, the submitter is asked to identify such difficulties and how they are being addressed.

PRT Qualitative Rating:	Meets Criterion
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The PRT finds that the proposed PFPM meets this criterion. The PRT concludes that metrics such as cost of care and ping response rate can be tracked through claims data and the SonarMD platform. The proposal also provided some results from the deployment of the model with commercial payors. However, the proposal was lacking in quality of care measures and sufficient details on evaluation structuring.

Criterion 7. Integration and Care Coordination. Encourage greater integration and care coordination among practitioners and across settings where multiple practitioners or settings are relevant to delivering care to the population treated under the PFPM.

The goal of this section is to describe the full range of personnel and institutional resources that would need to be deployed to accomplish the proposed model's objectives. The submitter is asked to describe how such deployment might alter traditional relationships in the delivery system, enhance care integration, and improve care coordination for patients.

PRT Qualitative Rating:	Does Not Meet Criterion
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The PRT finds that the proposed PFPM does not meet the criterion. The proposal is for a “specialty-based intensive medical home” that seems to have little integration with other clinicians, particularly primary care providers. While PCPs could potentially access patient information from the SonarMD platform, it seems that they are more likely to receive notes via fax which reflects little integration and potentially causes an issue with care coordination. The use of Project Sonar within the GI community offers care coordination through the care management services and the SonarMD platform does enable the NCM to monitor a practice’s patients and initiate physician involvement when necessary. However, that involvement appears to be largely limited to the specialist. The current proposal does not include sufficient information about how the frontline office and nursing staff would change in order to support this model, thus leaving the PRT with little understanding of how the deployment of Project Sonar might alter traditional relationships in the delivery system.

Criterion 8. Patient Choice. Encourage greater attention to the health of the population served while also supporting the unique needs and preferences of individual patients.

The goal of this section is to describe how patient choice and involvement will be integrated into the proposed PFPM. The submitter was asked to describe how differences among patient needs will be accommodated and how any current disparities in outcomes might be reduced. The submitter was asked to describe, as an example, how the demographics of the patient population and social determinants of care may be addressed.

PRT Qualitative Rating:	Does Not Meet Criterion
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The PRT finds that the proposed PFPM does not meet the criterion. Patients make the decision to enroll and can interact with the NCM via a web- and mobile-based platform. The experience of Project Sonar in the Medicare population, a patient group that traditionally has been less inclined to use mobile apps as a primary source of contact, is limited. In the model, this potential technology gap would be addressed by providing traditional phone call care management. The submitter does not provide information as to the effectiveness of telephone communication in comparison to web- or mobile-based communication for Medicare patients with Crohn’s Disease.

Criterion 9. Patient Safety. How well does the proposal aim to maintain or improve standards of patient safety?

The goal of this section is to describe how patients would be protected from potential disruptions in health care delivery brought about by the changes in payment methodology and provider incentives. The submitter is asked to describe how disruptions in care transitions and care continuity will be addressed. Safety in this instance should be interpreted to be all-inclusive and not just facility-based.

PRT Qualitative Rating:	Meets Criterion
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The PRT finds that the proposed PFPM meets this criterion. The model involves the remote monitoring of patients to identify clinical deterioration and initiate intervention early, reducing the need for emergency room visits and hospitalization. The model also includes biopsychosocial risk assessment to help determine the appropriate frequency with which patients should be pinged. The PRT concludes that these activities would improve patient safety.

Criterion 10. Health Information Technology. Encourage use of health information technology to inform care.

The goal of this section is to understand the role of information technology in the proposed payment model. In this section the submitter is asked to describe how information technology will be utilized to accomplish the model’s objectives with an emphasis on any innovations that improve outcomes, improve the consumer experience and enhance the efficiency of the care delivery process. The submitter is also asked to describe goals for better data sharing, reduced information blocking and overall improved interoperability to facilitate the goals of the payment model.

PRT Qualitative Rating:	Does Not Meet Criterion
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The PRT finds that the proposal does not meet this criterion. While the PRT acknowledges that the SonarMD platform is a novel use of health information technology, the platform and clinical algorithms are proprietary, which could severely limit the expansion of the model. The PRT recognizes that there has been a positive patient experience with the use of this technology in a commercial population, but it is unclear if this will translate to the older, Medicare patients. The PRT finds that the model still seems to face significant interoperability challenges. The submitter notes that, in order to access notes from the specialist, PCPs would need to access a separate system or receive faxes.

E. PRT Recommendation

<p>Do not recommend proposed payment model to the Secretary</p>
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F. PRT Comments

The PRT acknowledges this model leverages technology with gastroenterology society based guidelines and questionnaires to monitor IBD patients on a regular basis to prevent unnecessary emergency room visits and hospitalizations. The PRT applauds the model’s innovative use of technology. However, the platform and clinical algorithms are proprietary. The PRT has several other significant concerns related to the proposal. A main concern is that

the PRT is not convinced that a new payment model would be necessary to achieve the care delivery changes described in this model. The PRT concludes that a care management fee may be sufficient. In addition, while the proposal indicates that the model could apply broadly to diseases with high cost, high risk, and high variability in outcome and cost, the evidence in the proposal only relates to IBD. Therefore, the PRT finds that the proposal cannot be evaluated beyond that more narrow scope. For IBD, the potential impact on overall cost is limited since the patient population is small in the Medicare fee-for-service population. The proposal also lacks comprehensive quality measures tied to payment and does not specify performance targets. In addition, the PRT has concerns that the experience of the model in a younger, commercial population will not translate to the elderly Medicare population. The PRT is also concerned that the model does little to encourage coordination with primary care or other specialties who are involved in the care of patients with Crohn's Disease. Therefore, The PRT unanimously finds that the proposed PFPM is not ready to be recommended at the present time.

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