Alternative Payment Models
ACS-Brandeis APM
What have we learned?

HHS-ASPE, PTAC, CMMI and CMS

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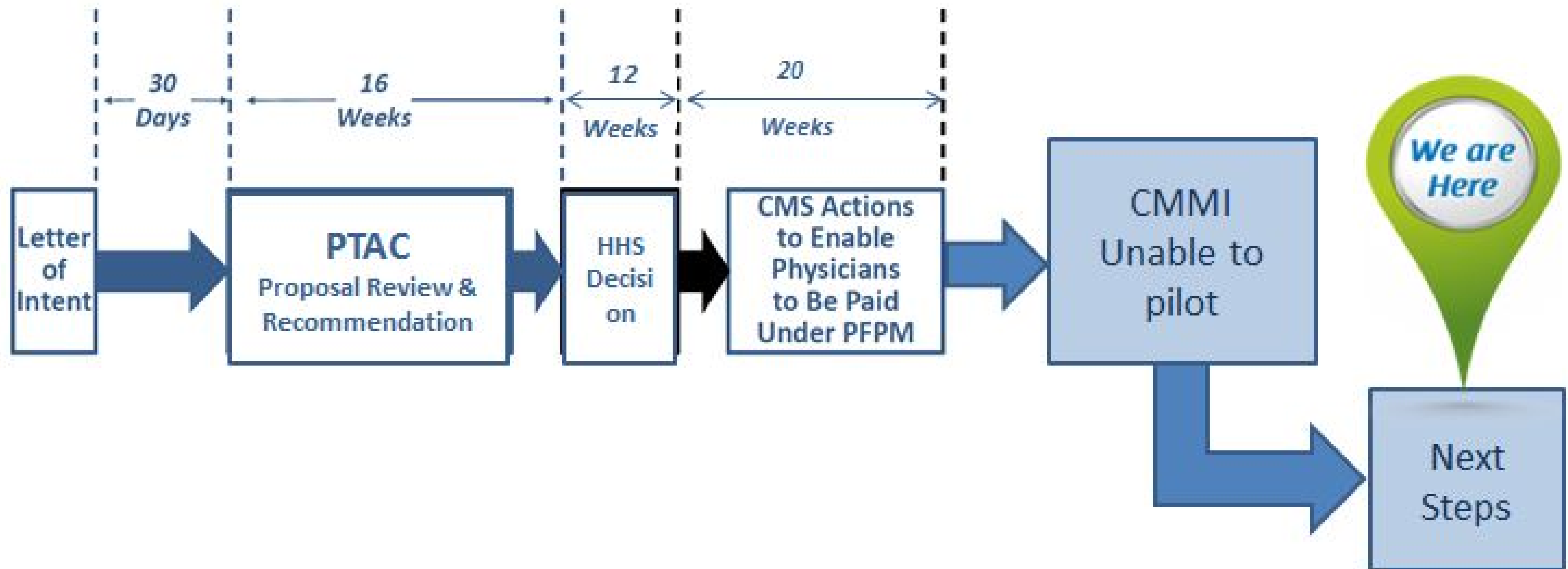
PTAC Timeline



ACS-Brandeis Advanced APM (Brief)

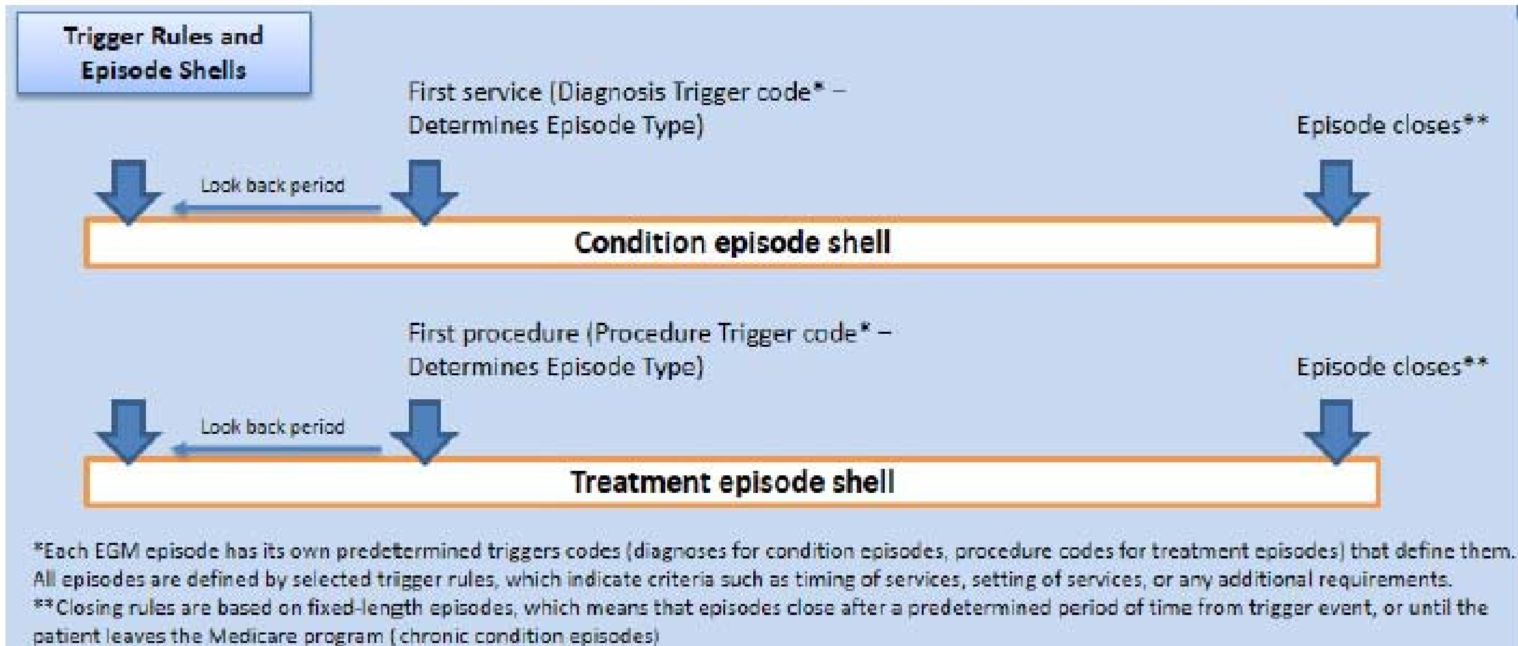
- All payer, all physician model
- **Episodes of care: team-based**

- CPT Trigger (Bundles rely on DRGs)
- Condition episodes (preferred)
- Procedure episodes
- Quality measured at the patient level
- Team-based shared accountability
- Flexible pricing models

Episodes & APMs – the process

- Build individual condition & procedural **episodes**
- Use a **single episode grouper**
- Create **lists of specialty episodes** inside a single episode grouper
- Establish **per patient per condition** target prices
- Create **physician service groups** within the episodes
- Assign **fiscal levels of attribution** using the service groups
- Create **payment models** consistent with CMS programs(upside/downside)
- Overlay **patient-centered quality** and link to reward/penalties

Episodes for Physicians



How do we assign costs from Part A & Part B to an episode of care?

- A trigger point identifies an episode is "in play"
- A time window opens before and after the trigger
- Relevant services are assigned to each episode
- Providers are attributed based on assigned services within the window

ACS Experience

- Submission in December 2016
- PTAC review Jan-March 2017
- PTAC presentation April 2017
- PTAC report June 2017
- HHS Letter September 2017
- CMMI Sept 2017 – March 2018

PTAC Ten Criteria

Physician-focused Payment Model Technical Advisory Committee

- Value over volume
- Flexibility
- ** Quality and Cost
- ** Payment methodology
- ** Scope
- Ability to be evaluated
- Integration and Care coordination
- Patient Choice
- Patient Safety
- Health Information Technology

** denotes high value criterion

PTAC Process

Physician-focused Payment Model Technical Advisory Committee

- Guidelines for submission
- Submission
- Assignment to a preliminary review team
- Written Q & A with prelim review team
- Conference calls with prelim review team
- In-person presentation to full PTAC
- Vote on criteria

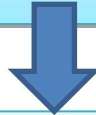
PTAC Vote and Report

Physician-focused Payment Model Technical Advisory Committee

- Do not recommend the model
- Recommend to Secretary
  - Limited-scale testing of the model
  - Implement the model
  - Implement the model as a high priority

Any recommended model must meet the three high priority criteria of the PTAC.

HHS referral:
Referral to CMMI September 2017



CMMI
September 2017 – March 2018

CMMI created three work groups

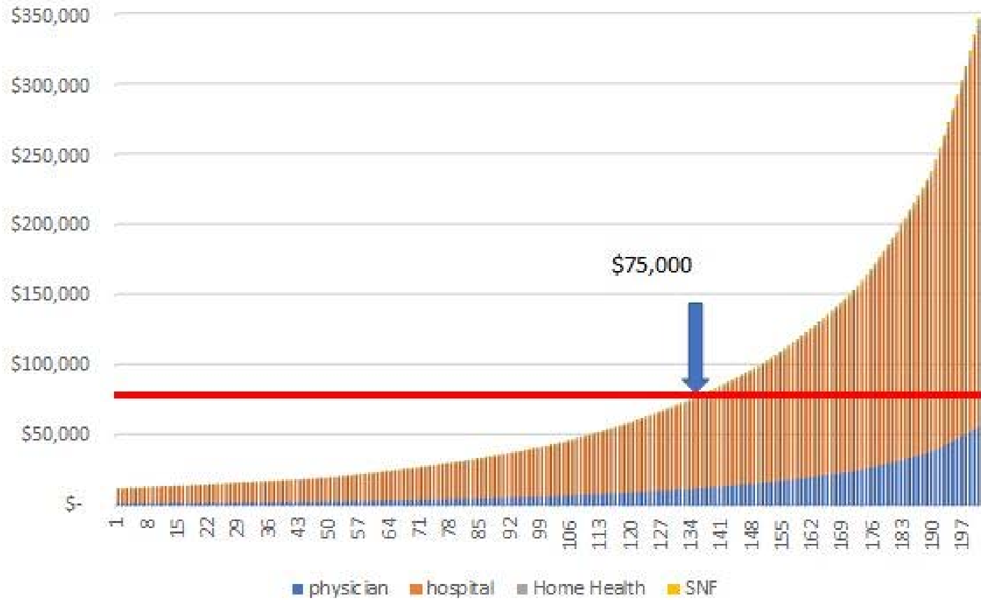
- Legal Workgroup
  - No meetings
- Quality workgroup
  - Planning meeting
- EGM (Grouper) Workgroup
  - One in-person meeting to explain to CMS how to use the CMS Grouper

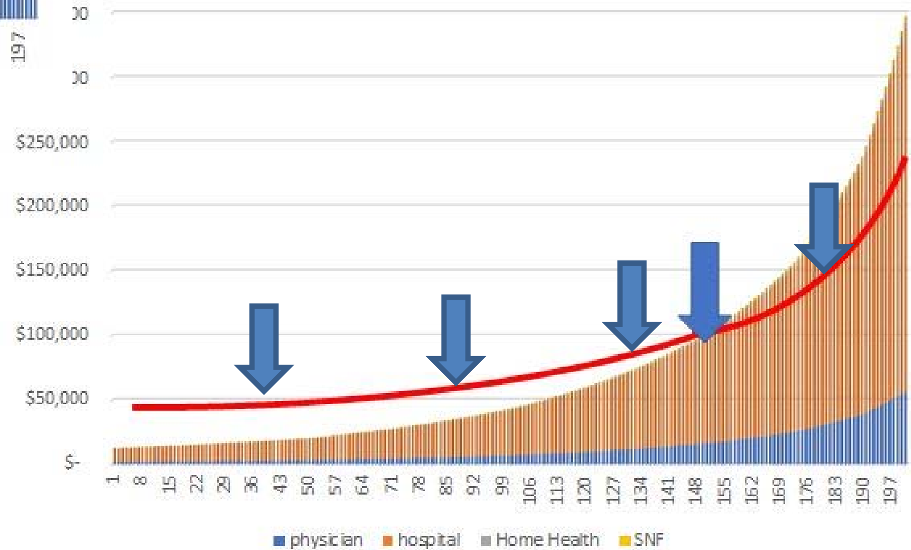
Physician Payer Collaborative
Challenges we face

CMS & CMMI - Nation's largest payer

- Prefers to follow other payers, not to lead (ACOs)
- Prefers plug-n-play, limited resources for innovation
- Unable to take work product without a contract
- Lack of internal legal services for intellectual property
- Tendency to fit everything within their current programs and pricing structures (inability to ingest new ideas)
  - BPCI
  - PCMH
  - ACO

ACS
Pricing Models





ACS Experience

- CMMI Sept 2017 – March 2018
  - A few phone calls to structure workgroups
  - 3 workgroups: Legal, Quality, and Grouper
  - One grouper meeting
  - March notice for end of work

ACS-Brandeis
Outreach to CMS Administrator

AMERICAN COLLEGE OF SURGEONS
Inspiring Quality:
Highest Standards, Better Outcomes

January 19, 2018

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Hubert H. Humphrey Building, Room 445-G
200 Independence Avenue, SW
Washington, DC 20201

Dear Administrator Verma,

CMS Administrator has never responded.

CMMI
March 2018
Notice to cease further actions

CMMI cited several reasons for ceasing any further work on the APM

- The variation in costs of episodes created excessive pricing variations.
- Up to 30% of total claims are rejected in some rare instances due to coding and billing errors
- CMS EGM was written in ICD 9 and CMS could not accept our ICD-10 updates without a contract to modernize their grouper logic.
- CMS EGM was written by CMS contractor in SAS programming language and it would cost to move to more efficient ideal programming language
- CMS has unnecessary lines of code in their EGM which are entangled in legal intellectual property rights discussions
- Complexity

APM Solutions
ACS-Brandeis perspective

CMS and CMMI never sought to be collaborative and work with the physician community.

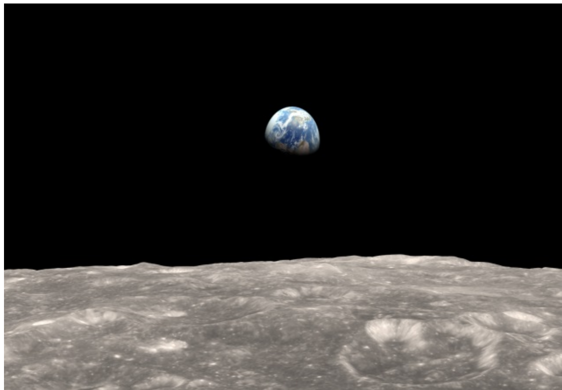
- CMS never responded to our requests for a meeting to discuss the resource needs of a collaborative effort.
- Variation in care, cost and pricing are central themes to all the APM programs. It is just not an acceptable excuse.
- Rare instances of claims cleanups, normalization and winsor-izing the data are the strong suits of analysts – which CMS did not assign to this work.
- ACS-Brandeis offered to donate ICD9 to ICD10 conversion to NLM for public use by anyone, including CMMI/CMS.
- ACS-Brandeis agree with CMMI that CMS requested SAS programming language should be changed; it is a minor cost relative to the return it would bring CMS.
- The legal intellectual property concerns are a non-issue; those lines of code are unnecessary to the work and can be removed with no impact.

- **Complexity :** We interpret this as CMMI and CMS are not resourced for true innovation but are willing to consider APMs which fit within their current frameworks of shared savings and bundles – nothing new, please.

"We choose to go to the moon in this decade and do the other things, not because they are easy, but because they are hard."
John F. Kennedy, Sept 12, 1962 Rice University

Next Steps

Inventory of the ACS-Brandeis APM
- The APM is built on modern care models; team based episodes of care
- Specialty medicine remains very interested and seeks support to build new episodes every day
- Delivery systems realize the limits of CMS bundles and want expanded episode bundles



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Next Steps

ACS-Brandeis can be used by any specialty to build episodes, or by payers for clinical service line development

- Standardized, all specialty maintained episode definition data (EDD)
- Risk adjusted, grouper logic using standardized EDD
- ICD 10 Conversion
- Convert the underlying SAS code to increase utility

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Next Steps

ACS-Brandeis APM for all-payer, all specialty episodes

- Build commercial use for individual payer modifications, use in direct contracting within plans and ACOs
- Create solutions for ACOs and MA plans to adopt/adapt
- Provide a common governance structure similar to definitions such as CPT and DRGs, in this case for episode definitions

Thank you – questions?