Thomas Jefferson University
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Provider Perspectives on Alternative Payment Models

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Fundamental Question

Are healthcare providers ready?

Triple ➔ Quadruple Aim

1. Improving the experience of care
2. Improving the health of populations
3. Reducing per capita costs of health care
4. **Provider experience**

Fee for Service Model

Volume-based reimbursement — do more, get more

95% of all office visits (2013)

Problems:

- No linkage to outcomes, so no incentive to improve
- Can promote unnecessary care
- No incentive to address population health

ACA
(aka Obamacare)

Move from volume-based to value-based reimbursement through alternative-payment models

- CMS announced goal that 85% of Medicare FFS would be tied to quality or value by ’16; 90% by ’18

- Expect private payers to follow lead

Medicare Access & CHIP Reauthorization Act
(MACRA)

Gets rid of the impractical sustainable growth rate formula that did nothing to contain costs

Introduces Merit-based Incentive Payments Systems (MIPS)

Bonuses for alternative-payment models (APMs)

Physicians Respond

Deloitte Survey (2016):
50% of docs never heard of term MACRA

RAND physician interviews (2015):

Practices

- Reorganizing
- Promoting team-based care approaches
- More investments in data
- Heavy administrative burden

Physicians

- Financial incentives not always passed through
- Not changing patient care itself
- Hate non-clinical burden
- Frontline physicians least enthusiastic

Impact on Outcomes

Lower physician satisfaction is associated with diminished work effort

Administrative challenges affecting work-life balance

<u>Hypothesis:</u> *Burden is not evenly distributed*

•People in positions of greater authority should be able to manage the transition better than those on the frontline

•But, better educated frontline physicians are key to successful organizational change

Study Design

Analyzed 3 groups by primary role:

1) Non-leader physician (n=31); 2) Physician leader (n=67);
3) Health system leader (n=49)

"APMs are defined broadly to include the full range of reimbursement models that go beyond traditional FFS payments that lack quality or performance metrics."

Convenience sample of physicians & health payer administrators

Invited 3303; 242 responses

Eliminated health payer administrators from analysis - limited response

Sample Questions

Under alternative payment models . . .

…my practice's/system's approach to patient care varies depending on how patient care is compensated.

…my practice/system is experiencing increased patient volume.

…my practice/system is benefiting financially.

…my practice's/system's administrative burden has increased.

Attitudes Toward APMs (AAPM)

<u>Composite scale</u>

•Calculated for respondents who answered at least 14 of 16 Likert questions

•AAPM Scale ranges from 1 to 5

- 1 = less prepared for APMs
  to 5 = more prepared.

Key Results: *Quantitative*

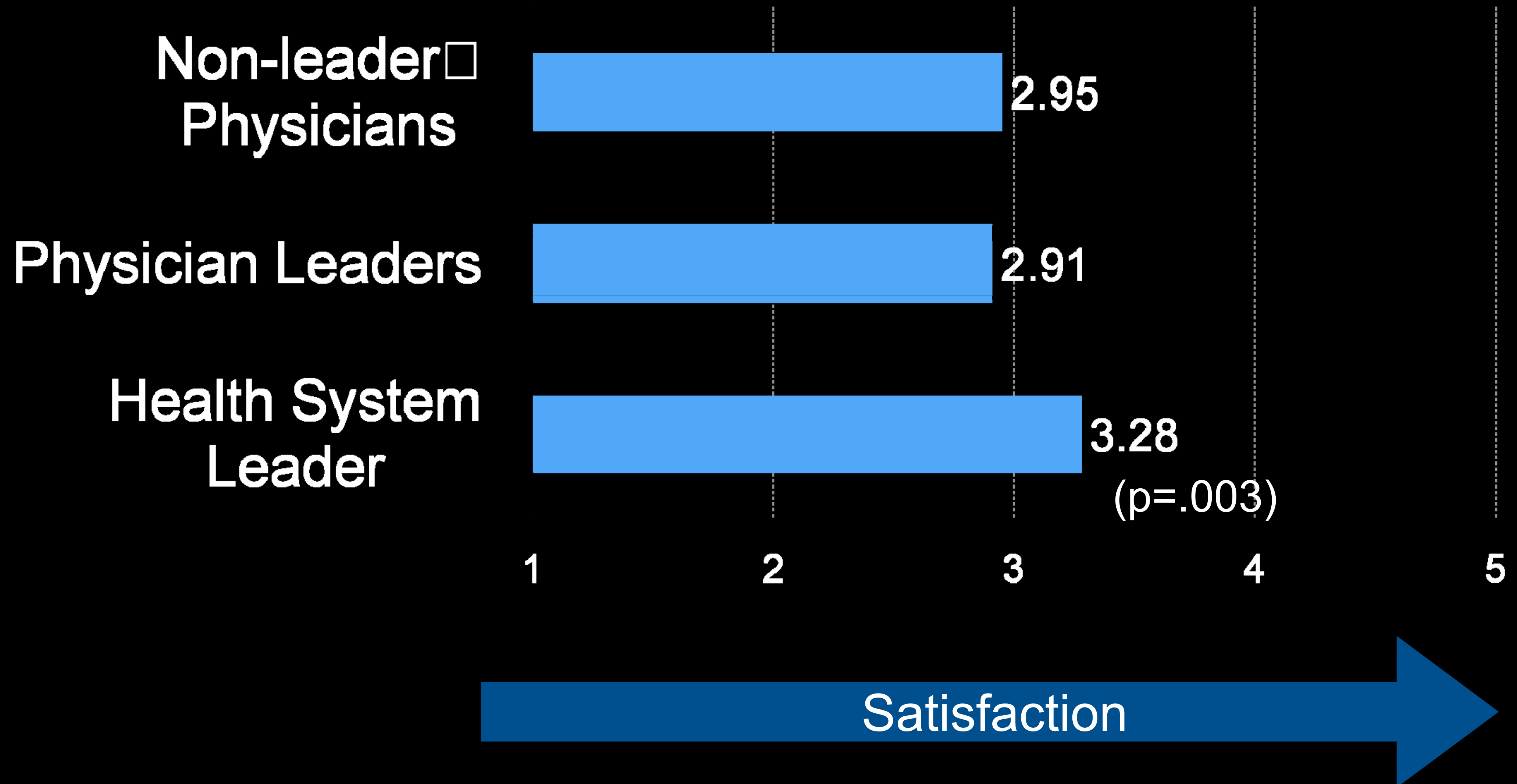
Health system leaders more accepting of APMs; their systems better prepared for shifting reimbursement models.

•Said system's performance measures improved patient care.

•Rated their system's patients as more satisfied with the care they receive compared to non-leader physicians.

In contrast, **physician leaders** and **non-leader physicians** reported a lower professional satisfaction average compared to health system leaders.

Attitudes toward APMs (AAPM)



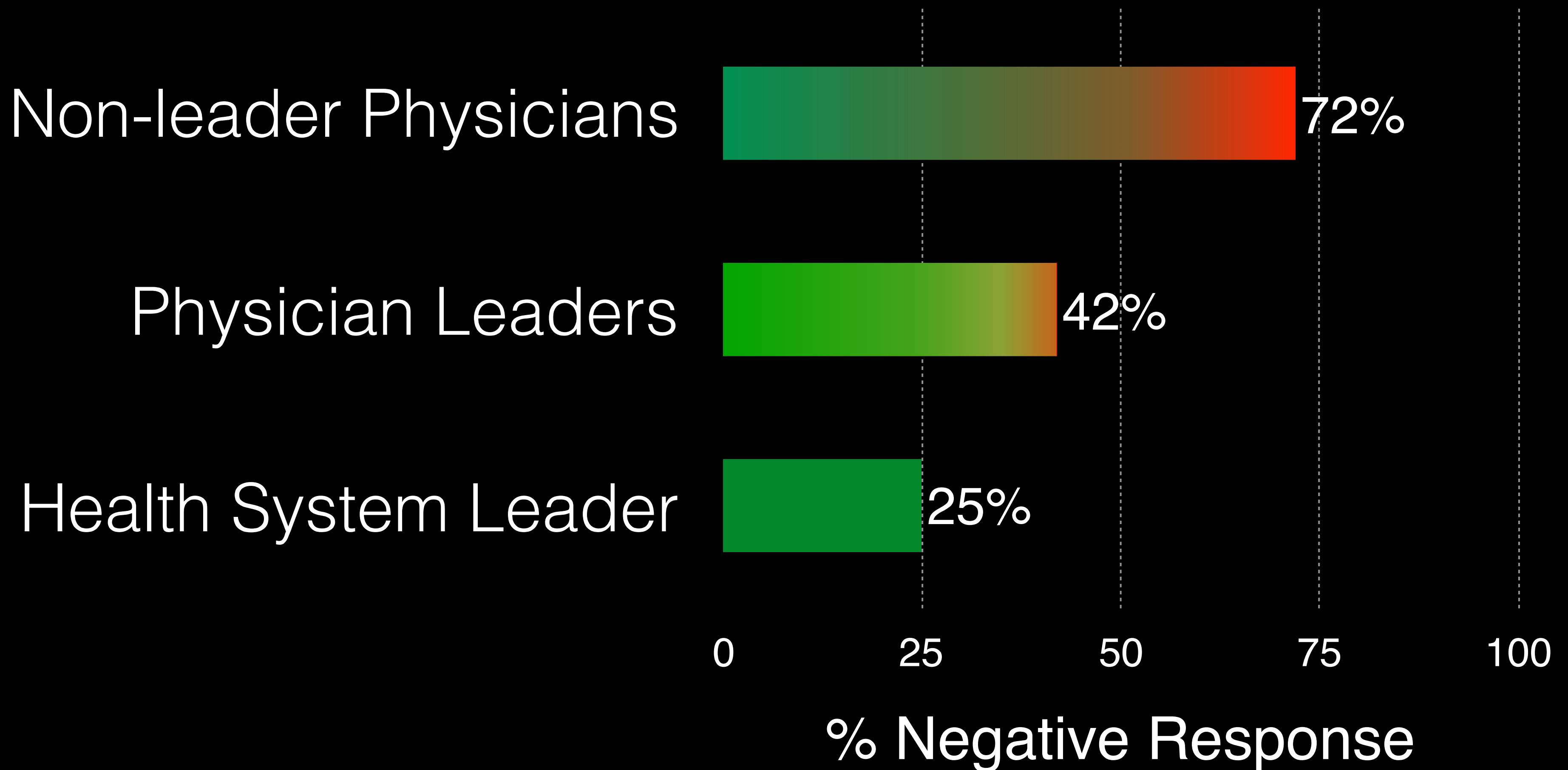
Key Results: *Qualitative*

Many physician and non-physician leaders expressed powerlessness, anger, frustration and hopelessness

•"I am in an academic practice. Central administration dictates everything. The faculty is completely disenfranchised."

•"For the life of me I can’t get cost data, even for tests we run in house. How am I supposed to control costs if I don’t know how much things cost!?"

Key Results:
Qualitative



Key Results: *Qualitative*

Six themes:

Measures - negative comments on the quality

Influence of Socio-economic factors - inability to control, blame patient

Lack of changes - own organization is not changing in response

Barriers - cost, organizational, clinical, time, data/ technology, and systemic

Future predictions - Concerns about the sustainability of current trends and changing payment models

Suggestions - Only 2 wanted to continue FFS, one single payer and one direct primary care

Caveats

Convenience sample of people pre-disposed to embrace population health

Limited response rate

Some response drop off

Survey done before election

Did not dive into specific APMs

Conclusion

Bleak picture

Workplace issues

More education

Clarifying frontline physician roles

Health outcomes impacted

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JCPH Colleagues

Thank you!

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