An innovative payment strategy developed to identify and address gaps in care for seriously ill patients and to support and ensure sustainability of interdisciplinary palliative care teams has earned backing from the AMA and a key Health and Human Services (HHS) panel.

The Patient and Caregiver Support for Serious Illness (PACSSI) physician-focused alternative payment model (APM) created by the American Academy of Hospice and Palliative Medicine (AAHPM) would provide stratified monthly payments for care teams that could include nonbilling clinicians such as nurses, social work or spiritual care professionals who would work in conjunction with the patients’ physicians to provide psychosocial and spiritual support.

“Patients who have serious, potentially life-limiting illnesses or multiple chronic conditions coupled with functional limitations are not well-served by the current fragmented, intervention-oriented health care system,” the abstract of the proposed APM states. “Many patients and caregivers do not receive palliative care because current payment systems do not provide adequate resources to enable palliative care teams to deliver those services to the right patient in the right place at the right time.”

Gaps in care identified, addressed

The proposal adds that new payment mechanisms based on patient need and disease severity are needed to support palliative care services for patients who are not eligible or willing to enroll in Medicare hospice care. Some skip Medicare’s hospice benefit because it requires patients to forgo many treatment services and to have two physicians determine their life expectancy is six months or less, the proposal said.

The HHS Physician-Focused Payment Model Technical Advisory Committee (PTAC) concluded that the proposal has merit and recommended it to HHS Secretary Alex M. Azar II to limited-scale testing. PTAC also supported similar testing for the Coalition to Transform Advanced Care’s Advanced Care
Model Service Delivery and Advanced APM.

Azar will respond to the recommendation and then it is up to the Centers for Medicare & Medicaid Services to determine whether and how it will test the model.

The AMA submitted a letter to PTAC Chair Jeffrey Bailet, MD, expressing strong support for the AAHPM proposal.

“The AMA supports further testing and adoption of the PACSSI care model proposal, and believes this model shows promise in promoting care coordination and delivering palliative care and support services which better align with patient preferences,” AMA Executive Vice President and CEO James L. Madara, MD, wrote in the letter. “The AMA believes the PACSSI model will improve the quality of care for Medicare beneficiaries with serious illness, while reducing costs for the Medicare program.”

**Monthly payment replaces service fees**

The proposal calls for paying palliative care teams $400 per month for patients with moderate complexity and $650 per month for those with high complexity. Palliative care teams could participate under two tracks.

The first would be subject to positive and negative payment incentives of up to 4 percent of total care-management fees received for the year. The second would be subject to shared risk and shared savings based on total cost of care with amounts subject to adjustments based on quality measures.

The monthly payments would replace evaluation and management service fees, such as those for office, home and hospital visits; chronic care, complex chronic care and transitional care-management services; and advance care planning services.

Replacing these service fees with monthly care-management payments would reduce a marginal incentive to provide unnecessary visits, according to the proposal.