

# AMA offers new payment concept to reward high-value specialty care

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The Center for Medicare & Medicaid Innovation embarked on a “strategy refresh” to shape its future work and set as one of its goals the creation of payment incentives for specialist and primary care physicians to coordinate delivery of high-value patient care and reduce avoidable spending. To date, opportunities to participate in patient-centered alternative payment models (APMs) with the potential to improve care quality and patient outcomes with lower spending have been stymied by barriers imposed by Medicare and other payers.

Existing APMs, including Medicare accountable care organizations (ACOs), generally lack the ability to change the way specialists are paid and focus on meeting total-cost-of-care spending targets rather than improving quality and outcomes for patients with conditions that require referrals to a specialist.

As a remedy to these issues, the AMA has designed the payments for accountable specialty care (PASC) approach, under which primary care and specialty physicians can work together to improve care for ACO patients with acute or chronic conditions or symptoms that require specialty care.

Learn more with the AMA about payments for accountable specialty care or “PASC” ([PDF](#)).

## Agreeing up front on goals

Specialists who enter into a voluntary PASC agreement with an ACO would be accountable for delivering specific services in ways that improve quality while reducing costs or avoiding unnecessary spending.

The specialist would receive enhanced condition services (ECS) payments in addition to standard Medicare fee-for-service payments, while being accountable for meeting performance standards that would be specified in the PASC agreement.

Take, as an example, that a specialist's services being supported by ECS payments are intended to cut emergency department visits or hospital admissions for a specific health condition such as heart failure. In such a case, the ACO and specialist could agree on the rate of ED visits or hospitalizations for that condition that is feasible to achieve for the patients covered by the PASC agreement.

The ECS payments would be counted toward the ACO's spending total used to calculate shared savings or losses. The ACO primary care physicians would be encouraged to give preference to specialists with whom the ACO has a PASC agreement when considering referrals as these specialists would be committed to delivering enhanced services to the ACO's patients and to coordinating patients' care with the ACO primary care physicians.

## The APM wait

The power of payment policy reforms to potentially transform health care delivery should not be overlooked, AMA President Jack Resneck Jr., MD, wrote in an AMA Leadership Viewpoints column last year, "Time to pursue patient-centered payment models designed by doctors."

The AMA supported the inclusion of APM options in the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015. But there are still no Medicare APMs that support specialty care for most patients with chronic conditions or APMs that incorporate frequently performed outpatient procedures such as cataract surgery, endoscopies, colonoscopies and spine and joint injections, Dr. Resneck noted.

PASC builds upon previous APM proposals and pilot programs developed by physicians to address payment barriers in the current system and opportunities for savings for several conditions, including:

- Asthma and chronic obstructive pulmonary disease treated by allergists and pulmonologists.
- Heart failure treated by cardiologists.
- Inflammatory bowel disease managed by gastroenterologists.
- Unscheduled acute care treated by emergency medicine physicians.

In a blog post, Jeffrey Davis, the American College of Emergency Physicians' (ACEP) director of regulatory affairs, noted that an ACEP-designed APM, the Acute Unscheduled Care Model (AUCM), remains unimplemented despite an endorsement from a Medicare advisory panel.

The AMA's PASC model, he added, "does successfully incorporate some elements of the AUCM and may be one of our best chances of getting emergency physicians to directly participate in APMs."

The AMA is working with the Alliance for Value-Based Patient Care and joined more than 800 physician and health care associations, health systems, physician practices and accountable care

organizations (ACOs) as a cosigner of a letter urging Congress to pass H.R. 4587, the Value in Health Care Act, which would extend the Advanced APM incentive payments created under MACRA for an additional six years.

It would also authorize the Health and Human Services Department secretary to set the revenue threshold for physicians to be eligible for these incentive payments. Absent Congressional intervention, 2022 marks the last year physicians are eligible to qualify for an APM incentive payment, plus the revenue threshold jumps from 50 percent to a nearly impossible to reach 75%.

Read more about the AMA's work on Medicare APMs.

## Benefits of the PASC model

Current payment barriers prevent or discourage specialists from:

- Spending adequate time to determine an accurate diagnosis without ordering unnecessary tests.
- Educating and assisting patients to take actions, such as exercise or wound care, before and after surgery or other treatment that can improve outcomes and reduce complications.

In contrast, by supporting better specialist-primary care coordination, PASC offers the potential for delivery of services not supported by current payment systems, reduced use of higher-cost services, and improved patient outcomes.

Implementation of PASC also could improve health equity by providing higher payments for care of patients who have complex conditions or who have been put at higher risk for poor outcomes due to social determinants of health or other factors.