

Payments for accountable specialty care or “PASC”

The need to pay specialists differently to support higher-value care

Many of the patients in an accountable care organization (ACO) have health problems that require diagnosis, treatment, and/or care management services from a specialist. The way specialists deliver these services has a significant impact on the ACO's ability to improve quality and control spending.

Many specialists want to deliver care in different ways in order to improve patient outcomes and reduce spending, but they cannot do so because of barriers in the payment systems currently used by Medicare and other payers. These barriers prevent or discourage specialists from performing high-value activities such as:

- Spending adequate time to determine an accurate diagnosis without ordering unnecessary tests
- Educating and assisting patients to take actions (e.g., exercise, wound care, etc.) before and/or after surgery or other treatment that can improve outcomes and reduce complications
- Engaging in shared decision-making with patients about the most appropriate treatment
- Educating and assisting patients to successfully manage a chronic condition in order to avoid exacerbations that can result in emergency department visits and hospital admissions

In most cases, there are no alternative payment models (APMs) or other value-based payments available to specialists that would overcome these barriers. ACOs have not had the ability to directly change the way specialists are paid, and because of this and other requirements, most ACOs have not been able to effectively engage specialists in achieving the ACO's goals.

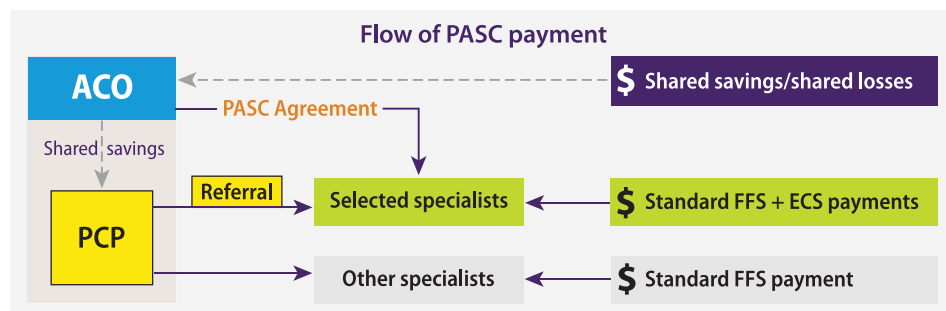
Payments for accountable specialty care

The American Medical Association designed **payments for accountable specialty care (PASC)** to remedy this problem. An ACO and a specialist or specialty practice would be able to enter into a voluntary **PASC Agreement** designed to improve services for ACO patients who have acute or chronic health conditions requiring specialty care. If an ACO primary care physician (PCP) refers a patient with the characteristics specified in the PASC Agreement to the specialist:

- The specialist would take accountability for delivering specific types of services to the patient in a way designed to improve outcomes and/or reduce avoidable spending
- and
- The specialist would receive an **Enhanced Condition Services (ECS) Payment**

for the patient from Medicare, in addition to standard Medicare fee-for-service (FFS) payments for the services delivered by the specialist, to support the different approach to care delivery

When primary care physicians in the ACO make referrals for specialty care, they can give preference to specialists who have a PASC Agreement with the ACO.



Accountability for spending and quality

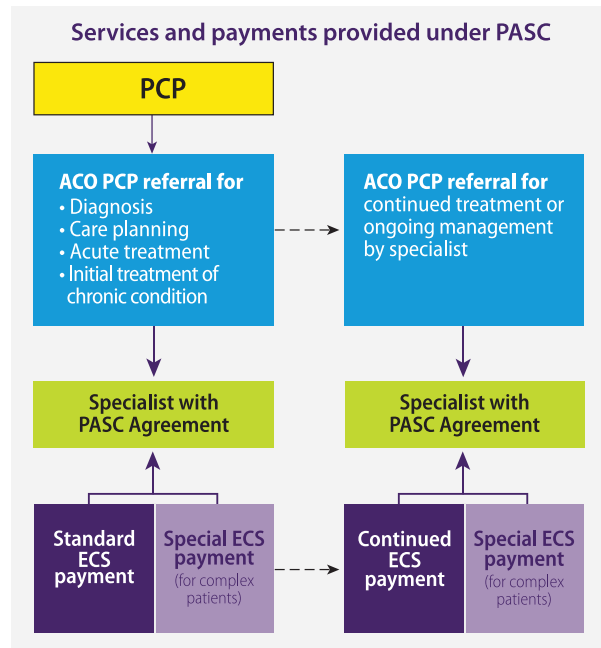
A PASC Agreement would focus on one or more specific health conditions. The agreement would include (1) one or more specific measures of quality and/or service utilization related to care of the condition(s), and (2) target performance levels on the measure(s) that the specialist would agree to meet or exceed. Specialty societies could work with organizations representing ACOs to develop a template for each health condition that physicians could use as the basis for PASC Agreements with ACOs.

The ECS payments to the specialists would be counted in the total spending for the ACO when shared savings or losses for the ACO are calculated. Consequently, if the specialists' services do not result in sufficient reductions in spending or improvements in quality to meet the ACO's goals, the ACO's shared savings would be lower or its shared losses would be higher than they would have been otherwise. The PASC Agreement would specify what actions would be taken if a specialist failed to achieve the performance standards under the PASC Agreement (e.g., ACO PCPs could reduce referrals to the specialist or the ACO could terminate the agreement completely).

Types of enhanced condition services (ECS) payments

To support the many different kinds of services that specialists could potentially provide to patients under a PASC Agreement, there would be **three different kinds of ECS payments available**.

- 1. Standard ECS payments.** The standard ECS payment would be a one-time payment for up to one month of services related to diagnosis, treatment planning, treatment of an acute condition or initial treatment of a chronic condition. For example, the payment could allow the specialist to engage in a shared decision-making process with the patient about the type of treatment needed, or to provide education and training for the patient and family about how to successfully manage their condition.
- 2. Continued ECS payments.** For patients who need to continue receiving services from the specialist for longer than a month, the PASC Agreement could include a provision enabling the specialist to receive a continued ECS payment for one or more additional months. For example, the specialty practice could provide condition-specific symptom monitoring and care management services designed to avoid exacerbations of a complex chronic condition or to avoid complications from surgery or cancer treatment.



- 3. Special ECS payments.** If a patient has characteristics that will make care of their health problem significantly more challenging (e.g., language barriers, food insecurity, lack of housing or transportation, etc.), and if the patient's primary care physician and specialist agree that the specialty practice should provide additional services to the patient to address these issues, the PASC Agreement could specify that the specialist would be paid a special ECS payment for that patient in addition to either the ECS Payment or the continued ECS Payment.

Benefits of PASC

- Patients would be better able to receive appropriate, high-quality care from specialists.
- Equity in access and outcomes would be improved through the higher payments for care of patients who have complex conditions or who are at higher risk for poor outcomes due to social determinants of health or other factors.
- The ACO primary care physicians would be better able to refer patients to specialists who will deliver appropriate, high-quality care.
- The ACO would be better able to manage the total cost of care for patients who need services from specialists, and the primary care physicians in the ACO would be more likely to receive shared savings payments.