New Payment Models: What’s driving them, and what do they mean for what it takes to be a good doctor?

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New Payment Models: 
What’s driving them, and what do they mean for what it takes to be a good doctor?

Thomas Jefferson University
Medical Grand Rounds
April 22, 2014

Richard J. Baron, MD, MACP
President and Chief Executive Officer
American Board of Internal Medicine and ABIM Foundation
Bill for the delivery of a healthy baby boy in 1946

<table>
<thead>
<tr>
<th>Service</th>
<th>Standard Charge</th>
<th>Benefit Allowance</th>
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<tbody>
<tr>
<td>Hospital Care</td>
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<tr>
<td>1/11/46 to 1/22/46</td>
<td>60.00</td>
<td>55.00</td>
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<tr>
<td>Operating Room and Delivery Room</td>
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<td>Surgical Dressing</td>
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<td>Telephone</td>
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<tr>
<td>TOTAL</td>
<td>108.80</td>
<td>91.00</td>
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</table>

Allowance by Associated Hospital Service: 17.80

Balance (Paid by Subscriber to Hospital Named Above): 91.00

Charges of $91.00 Made by the Hospital Named Hereon Are Acknowledged by Me as a Personal Obligation for Services Not Included Under the Terms of the Plan.

We Appreciate Your Cooperation in Building This Non-Profit Community Plan.
It is not the fault of our doctors that the medical service of the community, as at present provided for, is a murderous absurdity. That any sane nation, having observed that you could provide for the supply of bread by giving bakers a pecuniary interest in baking for you, should go on to give a surgeon a pecuniary interest in cutting off your leg, is enough to make one despair of political humanity. But that is precisely what we have done. And the more appalling the mutilation, the more the mutilator is paid. He who corrects the ingrowing toe-nail receives a few shillings: he who cuts your inside out receives hundreds of guineas, except when he does it to a poor person for practice.

GB Shaw, The Doctor’s Dilemma: Preface on Doctors, 1909
Another way to think about our healthcare challenges:

- We have **defective procurement**
- We are buying **the wrong things**
- We have not **adequately specified what it is we want to buy**
- But we sure are **getting a lot of it**
The “Triple Aim” for Health Care

- Reducing per capita health care costs
- Improving the experience of care
- Improving the health of populations
From: Eliminating Waste in US Health Care

Donald M. Berwick, MD, MPP; Andrew D. Hackbarth, MPhil
The Cost of Waste In US Health Care

- National studies estimate that inefficiencies and the overuse, underuse and misuse of medical services waste **30 cents** of every health care dollar.
- National studies show that nearly 1/3 of Medicare spending goes to services that do not help people improve their health.
- Estimated waste = $765 billion.

*JE Wennberg, Variations in Use of Medicare Services, Commonwealth Fund, December 2005.*
All your labs are back. They show a serious overuse of unnecessary and inappropriate tests and procedures.
As it turns out, cost is inversely related to quality.
How Do We Reduce Health Care Costs?

- New payment models to improve quality and decrease costs
  - Accountable Care Organizations (ACOs)
  - Bundled purchasing
  - Stronger primary care
- Financial reform or delivery system reform?
- Activating professionalism in any approach
Accountable Care – Balancing Competing Goals

- Defining parameters for ACOs requires balancing competing, important goals:
  - Risks and rewards for providers, payers and purchasers
  - Cooperation among providers vs. the requirement to prevent anticompetitive behaviors
  - Assuring high quality care vs. minimizing burden of quality reporting
  - Data sharing with ACOs vs. beneficiaries’ privacy needs.
  - Speed, which our nation needs, vs. the time for learning, which many providers need
The Pioneer ACO Model
32 organizations, launched 1/1/2012

- Designed for organizations well on their way to changing their care delivery and business models

- A few key features:
  - *Financial Gain* – higher risk but larger reward for participating organizations – *always “2-sided”*
  - *Payment Structure* – population-based payment starting in 3rd year, which gives providers flexibility
  - *Payment Arrangements with Other Payers* – Over 50% of total revenues must be derived from outcomes-based contracts by year 3
  - *Length of Agreement* – agreement period lasts up to five years
Pioneer ACO Results: Care Quality

- All 32 Pioneer ACOs successfully reported all quality measures.
- Pioneer ACOs performed better than published rates in fee-for-service Medicare for all 15 clinical quality measures:
  - Pioneer ACOs rated higher on all four patient experience measures relative to 2011 Medicare fee-for-service results.
  - 25 Pioneer ACOs generated lower risk-adjusted readmission rates than benchmark rate for all Medicare fee-for-service beneficiaries.
Pioneer ACO Results: Cost Savings

- 18 Pioneer ACOs reduced costs
- 13 saved enough to share savings with CMS
- Gross savings in 2012: $87.6 million
  - Nearly $33 million in savings went back to the Medicare Trust Funds

- 23 Pioneer ACOs intend to stay in program
  - 7 Pioneer ACOs intend to join Medicare Shared Savings Program (another ACO model)
  - 2 Pioneer ACOs intend to leave ACO program
Geographic Distribution of ACO Assignees
(2.6 million total assignees in all programs as of 1/1/2013)
Primary Care

- Primary care is critical to achieving the three-part aim of promoting health, improving care, and reducing overall system costs.
- Current visit-based fee-for-service system does not provide resources for comprehensive primary care.
- CMS is exploring new care delivery and payment models.
CMS Initiatives for Primary Care

- Medicare and Medicaid enhanced payments to primary care physicians (Affordable Care Act)
- Multi-payer Advanced Primary Care Practice Initiative
- FQHC Advanced Primary Care Practice Demonstration
- Medicaid Health Home
- Comprehensive Primary Care Initiative
5 out of every 100 health care dollars is spent on primary care reimbursements.
A significant – 40% – increase in investment for primary care would only cost the system 2%. 
40% increase in primary care payments = 2% additional total health care expenditures from primary care investment
Do you think that spending 40% more in primary care could generate at least 2% cost savings?

What could you support with that 40% that might yield 2% cost savings?
Comprehensive Primary Care initiative

- A major barrier to transformation in practice is transformation in payment
- The CPCi tests two models simultaneously:

  **Practice Redesign**
  - Provision of core primary care functions
  - Better use of data
  - Focus on total cost of care

  **Payment Redesign**
  - PBPM care management fee
  - Shared Savings opportunity
The 9 CPC Milestones

- Annual budget
- Care management for high risk patients
- 24/7 access by patients
- Assess/improve patient experience
- Use data to guide improvement
- Care coordination
- Shared decision making
- Participation in learning community
- Meaningful use (if not already there)
ABIM Foundation

Mission:
To improve health care through the advancement of medical professionalism.
Choosing Wisely is an initiative of the ABIM Foundation to help physicians and patients engage in conversations about the overuse of tests and procedures and support physician efforts to help patients make smart and effective care choices.

choosingwisely.org  
#choosingwisely
How do we reduce health care costs?

- Reduce waste
  - Initiatives such as Choosing Wisely that identify areas of potential waste (unnecessary tests and procedures) and encourage physicians to openly discuss options with patients
    - Physician decisions account for 80% of all health care expenditures
      - Crosson FJ. Change the microenvironment. Modern Healthcare and The Commonwealth Fund [Internet]. 27 Apr 2009
    - One-third of all physicians acquiesce to patient requests for tests and procedures—even when they know they are not necessary
“Forty-two percent of US primary care physicians believe that patients in their own practice are receiving too much care; only 6% said they were receiving too little.”
Deficit pressures are making cost control inevitable. It will only be successful if physicians stop looking to others to find solutions and focus on approaches that improve the care for patients with chronic illnesses.

-Ezekiel J. Emanuel, MD, PhD
Choosing Wisely: “Five Things” Lists

- Over 30 United States specialty societies representing more than 500,000 physicians developed lists of “Five Things Physicians and Patients Should Question”
“Five Things” lists

Don’t perform stress cardiac imaging or advanced non-invasive imaging in the initial evaluation of patients without cardiac symptoms unless high-risk markers are present.

Asymptomatic, low-risk patients account for up to 41 percent of unnecessary “screening.” Testing should be performed only when the following findings are present: diabetes in patients older than 40 years-old; peripheral arterial disease; or greater than 2 percent yearly risk for coronary artery disease.

Don’t perform stress cardiac imaging or advanced non-invasive imaging as a pre-operative assessment in patients scheduled to undergo low-risk non-cardiac surgery.

Non-invasive testing is not useful for patients undergoing low-risk non-cardiac surgery (e.g., cataract removal). These types of tests do not change the patient’s clinical management or outcomes and will result in increased costs.

Don’t perform echocardiography as routine follow-up for mild, asymptomatic native valve disease in adult patients with no change in signs or symptoms.

Patients with native valve disease usually have years without symptoms before the onset of decompensation. An echocardiogram is not recommended yearly unless there is a change in clinical status.

Don’t perform stenting of non-culprit lesions during percutaneous coronary intervention (PCI) for uncomplicated hemodynamically stable ST-segment elevation myocardial infarction (STEMI).

Stent placement in a non-culprit artery during primary PCI for STEMI in a hemodynamically stable patient may lead to increased mortality and complications. While potentially beneficial in patients with hemodynamic compromise, intervention beyond the culprit lesion during primary PCI has not demonstrated benefit in clinical trials to date.
Choosing Wisely Partners

Societies That Announced Lists April 2012
- American Academy of Allergy Asthma & Immunology
- American Academy of Family Physicians
- American College of Cardiology
- American College of Physicians
- American College of Radiology
- American Gastroenterological Association
- American Society of Clinical Oncology
- American Society of Nephrology
- American Society of Nuclear Cardiology

Societies That Announced Lists February 2013
- American Geriatrics Society
- American Society for Clinical Pathology
- American Society of Echocardiography
- American Urological Association
- Society of Cardiovascular Computed Tomography
- Society of Hospital Medicine
- Society of Nuclear Medicine and Molecular Imaging
- Society of Thoracic Surgeons
- Society of Vascular Medicine
Societies Announcing Lists in Late in 2013 and Early 2014

- American Academy of Clinical Toxicology
- American Academy of Dermatology
- American Academy of Family Physicians
- American Academy of Neurosurgery
- American Academy of Orthopaedic Surgeons
- American Association of Blood Banks
- American Association of Clinical Endocrinologists
- American Association for Pediatric Ophthalmology and Strabismus
- American College of Chest Physicians
- American College of Emergency Physicians
- American College of Medical Toxicology
- American College of Occupational and Environmental Medicine
- American College of Rheumatology
- American College of Surgeons
- American Geriatrics Society
- American Headache Society
- AMDA—Dedicated to Long Term Care Medicine
- American Medical Society for Sports Medicine
- American Psychiatric Association
- American Society of Anesthesiologists
- American Society of Clinical Oncology
- American Society of Colon and Rectal Surgeons
- American Society of Hematology
- American Society of Plastic Surgeons
- American Society for Radiation Oncology
- American Society for Reproductive Medicine
- American Thoracic Society
- Commission on Cancer
- The Endocrine Society
- Heart Rhythm Society
- North American Spine Society
- Society for Cardiovascular Angiography and Interventions
- Society of Cardiovascular Magnetic Resonance
- Society of Critical Care Medicine
- Society of General Internal Medicine
- Society of Gynecologic Oncology
- Society for Maternal-Fetal Medicine

Choosing Wisely
An initiative of the ABIM Foundation
"I appreciate when a patient comes to me armed with questions about the value or safety of their medications or treatments. That way, we can discuss costs and benefits -- and agree on a treatment that is best for them."

Kelly Kyanko, MD, internist and Health Ratings Center consultant

Treating sinusitis
Don’t rush to antibiotics

Millions of people each year are prescribed antibiotics for sinusitis, a frequent complication of the common cold, hay fever, and other respiratory allergies. In fact, 15 to 25 percent of all antibiotic prescriptions for adults in outpatient care are for treating sinusitis. Unfortunately, most of those people probably don’t need the drugs. Here’s why.

The drugs usually don’t help
Sinusitis can be uncomfortable. People with the condition usually have congestion combined with yellow, green, or gray nasal discharge plus pain or pressure around the eyes, cheeks, forehead, or teeth that worsens when they bend over. But sinus infections almost always stem from a viral infection, not a bacterial one—and antibiotics don’t work against viruses. Even when bacteria are responsible, the infections usually clear up on their own in a week or so. And antibiotics don’t help ease allergies, either.

They can pose risks
About one in four people who take antibiotics have side effects, including stomach problems, dizziness, or rashes. Those problems clear up soon after stopping the drugs, but in rare cases antibiotics can cause severe allergic reactions. Overuse of antibiotics also encourages the growth of bacteria that can’t be controlled easily with drugs. That makes you more vulnerable to antibiotic-resistant infections and undermines the benefits of antibiotics for others.
Consumer Groups Through Partnership with Consumer Reports

- AARP
- Alliance Health Networks
- Covered California
- Leapfrog Group
- Midwest Business Group on Health
- Minnesota Health Action Group
- National Business Coalition on Health
- National Business Group on Health
- National Center for Farmworker Health
- National Hospice and Palliative Care Organization
- National Partnership for Women & Families
- Pacific Business Group on Health
- Puget Sound Health Alliance
- SEIU
- Union Plus
- Univision (with HolaDoctor)
- Washington State Medical Association
- The Wikipedia Community

Choosing Wisely®
An initiative of the ABIM Foundation
“We have created a medical ecology based on overprescription and overconsumption on the part of both physicians and patients,” Erb said. “What Choosing Wisely has done is legitimize our ability to cut back on what’s unnecessary.”
"Choosing Wisely": Physicians Step to the Front in Health Care Reform

But, "Choosing Wisely" is a game-changer. The advice comes not from payers or politicos, but from pedigreed physician groups. The specialty societies are not guessing; their lists of procedures contain copious scientific citations supporting the claims of overuse.
American Board of Internal Medicine (ABIM)

Mission:
To enhance the quality of health care by certifying internists and subspecialists who demonstrate the knowledge, skills, and attitudes essential for excellent patient care.

Role:
• Defines specialties and subspecialties in internal medicine
• Sets standards for the profession
• Primary accountability to the public
Allergy & Immunology
Anesthesiology
Colon/Rectal Surgery
Dermatology
Emergency Medicine
Family Medicine
Internal Medicine (200,000+)
Medical Genetics
Neurological Surgery
Nuclear Medicine
Obstetrics & Gynecology
Ophthalmology
Orthopedic Surgery

Otolaryngology
Pathology
Pediatrics
Physical Medicine & Rehabilitation
Plastic Surgery
Preventive Medicine
Psychiatry & Neurology
Radiology
Surgery
Thoracic Surgery
Urology

24 Member Boards
Certify more than 750,000 physicians
The Breadth of Internal Medicine

- Adolescent Medicine
- Adult Congenital Heart Disease
- Advanced Heart Failure & Transplant Cardiology
- Cardiovascular Disease
- Clinical Cardiac Electrophysiology
- Critical Care Medicine
- Endocrinology, Diabetes, & Metabolism
- Focused Practice in Hospital Medicine
- Gastroenterology
- Geriatric Medicine
- Hematology
- Hospice and Palliative Medicine
- Infectious Disease
- Interventional Cardiology
- Medical Oncology
- Nephrology
- Pulmonary Disease
- Rheumatology
- Sleep Medicine
- Sports Medicine
- Transplant Hepatology

✓ Certify 1 of every 4 practicing physicians in US
✓ More than 200,000 ABIM Board Certified Physicians
✓ Internal Medicine has more Board Certified Physicians than any other Board
Maintenance of Certification

- Designed to ensure that physicians keep current and practice high quality medicine
  - Employs active learning rather than passive lectures
  - Secure exam is a requirement
  - Performance improvement focuses on behavior, not just knowledge
Assessment 2020

- A new initiative to define what competencies physicians will need as the field of medicine evolves

- Seeks to engage physicians, patients, assessment experts and other stakeholders in conversations about future of physician assessment

- ABIM will use feedback from the community, analysis of the latest assessment research and focus groups and surveys to inform future enhancements to ABIM's Certification and MOC programs
Assessment 2020

- Participate in conversations on the Assessment 2020 Blog

- Weigh in, via polls, on issues related to changes in assessment

- Learn about ABIM exam enhancements that are in R&D

- Find out about the work of the ABIM Assessment 2020 Task Force
If everyone agrees teamwork is crucial to providing quality patient care, why is it so hard to achieve?

By ABIM on February 27, 2014 | 2 Comments

The following post was written by Benjamin Chesluk, PhD, Clinical Research Associate, ABIM.

Teamwork matters to good health care. When physicians and other care providers communicate well and collaborate, it makes the care patients receive better and safer, and it can make clinicians happier and more fulfilled by their work.[1]

Everyone recognizes this, and has for decades [...]
Payment models depend on important physician skills and behaviors

- Teamwork
  - Care coordination
  - Preventive Care
- Resource awareness
- Attention to “non-medical” issues
  - Clinical system re-design
  - Ongoing improvement
- Use of health information technology
We will need to change training

AND

We will need to change practice
Role for ABIM?

- What does the good doctor know and do in the 21st century?
- How do we prepare trainees to function in these new models?
- How do we support those in practice by articulating new skills they will need?
- How do we assess it all in a publicly credible way?

Response rate: 74% (6,033/8,152)
Questions?